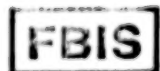


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28 May 1985

## Southeast Asia Report



FOREIGN BROADCAST INFORMATION SERVICE

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28 May 1985

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AUSTRALIA

MELBOURNE EDITORIAL HITS PINE GAP SPYING ON GREECE

Melbourne THE AGE in English 2 Apr 85 p 13

[Editorial]

[Text]

CITIZENS are usually right to be wary, if not downright cynical, when ministers of the Crown ask to be taken on trust. Decisions reached in secret and kept secret are properly suspect. A dilemma arises, however, when the public's right to know what is being done on its behalf comes into conflict with the national interest in keeping faith with allies and denying information to potential enemies. A case in point is the furore over a report in the 'National Times' that the US Government is proposing to use what are tactfully described as the "joint facilities" at Pine Gap to listen in to communications in Greece, a Nato country which happens to have a leftist Socialist Government, and, perhaps, in other friendly Mediterranean countries as well. The Defence Minister, Mr Beazley, like other Labor and Liberal ministers before him in similar circumstances, has firmly refused to confirm or deny claims about activities at the Pine Gap base, adding that his "no comment" should not necessarily be taken as confirmation.

There are two issues here. The first has to do with the alleged American proposal to use bases in Australia to spy on a friendly country. While covertly gathering intelligence about what one's allies are up to is a game as old, distasteful and necessary as espionage, it would take a great deal to persuade us, or the majority of Australians, that the Pine Gap facilities should be used by the US for this purpose. Mr Beazley repented at the weekend an earlier assurance by the Prime Minister, Mr Hawke, that the broad functions of Pine Gap were

to help verify arms-control agreements and to provide adequate early warning of missile launches. Eavesdropping from space on telephone conversations in Athens, Ankara or Tel Aviv hardly falls into either of these categories.

The second issue has to do with the confidentiality of information about Pine Gap. What is at stake here is not only Australia's national security but that of the United States and, indeed, the whole Western alliance. Mutual secrecy was a condition of the agreement under which the bases were, for better or worse, established. In his comments on Sunday, Mr Beazley said that the Government knew what was happening at the joint facilities, but insisted that -- beyond declaring that they were not being used to spy on Australia -- he could not comment on the 'National Times' report because to do so would force him into detailed discussion of their operational capabilities. He did, however, give what seemed to be an oblique reassurance about the Government's attitude by saying that it was diligently pursuing a policy on the line -- in keeping with its stated foreign policies and "our own" (by which he presumably meant the ALP's) objectives. Helping the CIA to spy on the Greeks cannot easily be brought into the ambit of those objectives. It was in this context that Mr Beazley suggested that the Government should be taken on trust in its handling of the bases issue. Assuming that the minister was not being deliberately misleading, it is a reasonable demand.

AUSTRALIA

## QUEENSLAND PREMIER SEEKS SUGAR PRICE, POLITICAL GAIN

Sydney THE AUSTRALIAN in English 1 Apr 85 p 2

[Article by David O'Reilly]

[Text]

THE Premier of Queensland, Sir Joh Bjelke-Petersen, will arrive in Canberra today for a showdown with the Commonwealth on the future of the crisis-stricken sugar industry.

Privately, senior federal government officials suspect the 74-year-old Queensland leader is manoeuvring to make the expected collapse of today's talks the first shot in an emotive Canberra-bashing campaign leading up to an early election in either August or September.

They concede there is almost no chance the Prime Minister, Mr Hawke, and the Minister for Primary Industry, Mr Kerin, will agree to Queensland's demands for a guaranteed \$240-a-tonne minimum price for sugar.

The federal officials believe Sir Joh is planning in advance to take complaints about the Commonwealth's rejection of the sugar aid package on a pre-election campaign trail through a number of key marginal State seats in the sugar areas of North Queensland.

Sir Joh will take his Minister for Agriculture, Mr Turner, and representatives of Queensland's sugar growers and millers to the talks with Mr Hawke. The meeting was promised by the Federal Government when complaints about the industry's problems were raised during the December federal election.

The Commonwealth is expected to reject the \$240 minimum price plan because it is

seen as further featherbedding for another domestic rural industry that has been made uneconomic because of the world sugar surplus and dumping by the European Economic Community (EEC).

The minimum price plan has been costed by Mr Kerin at about \$80 million this year and \$120 million 1986.

"In the current economic climate that is money the Government just can't afford," a federal official said yesterday.

Sir Joh is in Canberra this week to participate in the drug summit. Coincidentally, Mr Kerin is to begin a three-day tour of the nation tomorrow to put to the dairy industry the rationale for his recent decision to wind down federal assistance to milk, butter and cheese producers and processing firms.

### Rationalisation

Mr Kerin argues that Australia faces a "milk lake" of some 1 billion excess litres and that this will climb to 6 billion litres within a year.

Despite the obvious political cost for the Government, Mr Kerin fought hard to get Cabinet approval for the dairy industry rationalisation.

He insists that, like the motor car and steel industry plans, his new and complex formula for phasing out dairy assistance after a one year moratorium will allow more competitive farmers to survive while the more inefficient will be driven out.

Sources claim he and Mr Hawke will reject demands that considerable additional federal funds should be poured into propping up the sugar industry.

A statement issued yesterday by the National Party and Opposition spokesman on trade, Mr Tom McVeigh, is symptomatic of the bipartisan concern emerging on the distortion of the Australian sugar industry by EEC dumping policies.

"That the free-market price of sugar has fallen yet again confirms that the world sugar market has become a disgrace," Mr McVeigh said.

"Once again we are witnessing the EEC wreck yet another market. The EEC has evolved from being a net importer of nearly 1 million tonnes in 1973 to becoming the world's second largest exporter of sugar. Last year alone the EEC exported 5.4 million tonnes, all of which was dumped.

"The world trend towards increasing protection, which has resulted from the introduction of high-level EEC subsidisation programs has to stop before world markets become inoperable.

"The Hawke Government must vigorously pursue a reduction in international protective mechanisms which are currently eroding many of Australia's traditional markets."

INDONESIA

REGULATIONS ISSUED TO IMPLEMENT PRESIDENTIAL INSTRUCTION NO 4/1985

Jakarta BUSINESS NEWS in English 17 Apr 85 pp 6, 7

[Text] Jakarta (Business News)

The Coordinating Minister of Ekuin (Economic, Financial & Industrial Affairs) & Development Supervision, Dr. Ali Wardhana, announced here recently that the government had issued 29 stipulations as a follow up of the Presidential Instruction (Inpres) No. 4/1985 which had been effective since April 4, 1985.

The 29 stipulations consist of nine government regulations, three presidential decrees, one presidential instruction and 13 decrees issued by several ministers and the governor of Bank Indonesia.

The 29 stipulations announced by Minister Ali Wardhana are as follows :

1. The Decree of the Minister of Finance on the simplification of the form and content of notification documents for the import of goods.
2. The Decree of the Minister of Finance on import free from customs examination in all Indonesian customs territories.
3. The Decree of the Minister of Finance on customs regulations for interinsular trade.
4. The Decree of the Minister of Finance on the revocation of the Decree of the Minister of Finance No. 327/MK/11/5/72 on the obligation to have Interinsular Fiscal Certificate for those dealing with interinsular sending of goods.

5. The Decree of the Minister of Finance on operational involvement of organisational units of the Directorate General for Customs & Excise in the activities of port administrators at the main seaport.
6. The Decree of the Minister of Finance on the use of funds from the State Budget for the financing of the activities of port authorities.
7. The Decree of the Minister of Finance on customs regulations for exports and imports.
8. The Decree of the Minister of Finance on the revocation of the Decree of the Minister of Finance on Consular Invoice.
9. The Presidential Decree on the postponement of the implementation of several stipulations under the Customs Ordinance and Rule A.

#### The Trade Department

1. The Government Regulation on the amendment of the Government Regulation No. 1/1982 on exports, imports and foreign exchange flow.
2. The Joint Decree of the Minister of Trade, the Minister of Finance and the Governor of Bank Indonesia on the improvement of general regulations on imports.
3. The Joint Decree of the Minister of Trade, the Minister of Finance and the Governor of Bank Indonesia on the improvement of general regulations on exports.

#### The Communications Department

1. a. The Government Regulation on the amendment of the Government Regulation No. 11/1983 on the development of port services.  
b. The Presidential Decree on services in operational areas of the main seaports.
2. The Decree of the Minister of Communications on the organisation and work of port administrations.



3. The Government Regulation on the amendment of the Government Regulation No. 2/1969 on sea transport.
4. The Presidential Decree on the postponement of the implementation of several stipulations on the collection of fees by port authorities.
5. The Decree of the Minister of Communications on the handling of sea freight forwarding companies.
6. The Decree of the Minister of Communications on the handling of air freight forwarding companies.
7. The Decree of the Minister of Communications on the revocation of the Decree of the Minister of Communications No. KM.359/PR 302/PHB-79 on the tariff of fees collected by port authorities.
8. The Decree of the Minister of Communications on the general agency of foreign merchant shipping companies.
9. The Decree of the Minister of Communications on the simplification of regulations on shipping safety.
10. The Decree of the Minister of Communications on the guide rate of interinsular shipment fees.
11. The Decree of the Minister of Communications on the loading and unloading of goods at seaports.
12. The Instruction of the Minister of Communications for the simplification of procedures for the issuance of sea transport certificates and sailing pass for ships.
13. The Decree of the Minister of Communications on the calculation of the cost of loading and unloading at seaports.
14. The Joint Decree of the Minister of Communications and the Minister of Finance on the handling of customs documents, sea freights and airfreights.
15. The Decree of the Minister of Communications on the adjustment of the cost of seaport services.
16. The Presidential Instruction on the revocation of the Presidential Instruction No. 12/1977 on the use of the Cakung Warehousing Centre.

CSO: 4200/914



## INDONESIA

### ABUSES IN TIMOR SAID TO DECLINE AS FIGHTING SLACKENS

Melbourne THE AGE in English 26 Mar 85 p 9

[Article by Peter Millership of REUTER]

[Text]

DILI, 25 March. — The puerilla war on East Timor has largely died down. As it slackened, so did the number of cases of alleged breaches of human rights last year in the territory Indonesia annexed in 1976.

Timorese officials and churchmen told the first foreign correspondents to visit East Timor for 18 months recently that they had received fewer reports of human rights abuses last year than in 1983.

Earlier this month in Geneva, the United Nations Human Rights Commission voted to drop a review of alleged human rights abuses in East Timor.

Delegation sources said this amounted to a vote of no confidence in the London-based human rights group Amnesty International which last month told the commission it was still receiving reports of torture and summary killings by Indonesian troops.

However, diplomats in Jakarta said countries which voted to keep the human rights situation under review were convinced that abuses were continuing and said the result showed the success of Indonesian lobbying behind the scenes.

Jakarta has repeatedly denied Amnesty's allegations and has in turn accused the left-wing Timorese guerillas of torturing and massacring. Assessment of the conflicting claims is hard as visitors may go to East Timor only on brief government-sponsored trips.

Senior diplomats in Jakarta said East Timor's people were often trapped between the army, which sometimes subordinated human rights to its war against Fretilin Revolutionary Front for an Independent East Timor and the puerillas' own policy of intimidation and reprisal.

One senior diplomat in Jakarta who declined to be named said: "As long as there is fighting there will be human rights abuses but the number, degree and frequency of human rights abuses has clearly declined as the fighting waned."

In the troubled eastern sector the correspondents saw few signs of fighting although Jakarta says more than 7000 troops face 500-700 armed puerillas on the island.

East Timor's governor, Mr Mario Carrascalao, said up to 100,000 people, more than one-seventh of the population, might have died in the Timorese civil war and Indonesia's counter-insurgency operation in the years that followed. Most died of hunger and disease. Military analysts said Indonesia lost more than 1800 troops.

Amnesty accused Indonesia of killing hundreds of Fretilin guerillas who surrendered early in 1979. More people suspected of Fretilin links were killed by troops in 1981-83, it said.

The latest human rights report published by the US State Department said some Fretilin guerillas ignored Indonesian amnesty offers because they feared troops would kill them anyway.

### Key role

Indonesia's ambassador to the UN has accused Fretilin of murdering 16 army engineers in August 1983, and asked: "Where was Amnesty International at that time?"

He categorically denied Amnesty's accusation that troops were given torture manuals in 1982.

Mr Arsenio Ramos Horta, imprisoned by Fretilin until 1976, said he had seen guerillas beat, torture and kill other prisoners during his years in captivity.

The Roman Catholic Church has played a key role in reporting rights abuses to the outside world.

In a tense interview with correspondents at his Dili home which was attended by Government officials, the new head of the church, Monsignor Carlos Belo, said the army killed 84 men, women and children in a punitive raid after the engineers died.

INDONESIA

GOVERNMENT MOVES TO COMBAT HIGH-COST ECONOMY VIEWED

Jakarta BUSINESS NEWS in English 17 Apr 85 p 2

[Editorial: "The War Against the High Cost Economy"]

[Text] The government has launched the first attack in the effort to combat the high cost economy, which threatens economic growth in the Fourth Five-Year Plan and subsequent stages. Sources of this high cost found in the port and shipping sector, which hamper imports and exports, are supposed to be reduced by new regulations of April 4, 1985. The reform of customs and shipping rules constitutes a radical measure, which raises the question why this has not been adopted long before. The answer is possibly because the matter was in the past not so urgent.

The high cost economic phenomenon is admitted to become an obstruction to economic development only at present, i.e. at the time when non-oil/gas export promotion and national economic growth based on higher productivity are required.

For three five-year plan periods Indonesia's economic growth was induced by oil/gas exports, which produced a great deal of foreign exchange, and by large scale capital investments in infrastructures and industries, which were enabled by huge government development budgets and considerable amounts of investments by the private sector and state enterprises.

Starting 1982 and entering the Fourth Plan, these favourable factors have been greatly reduced. Consequently, Indonesia's economic growth rate since 1982 has not reached 5% per annum either. If the total of investments in fourth five-year period decreases, an adequate growth rate can still result from increased productivity. The high cost phenomenon is a reflection the opposite reality.

The causes of this high cost can be found in different areas. Many places or units of production are affected by this disease, particularly in

the industrial sector. The domestic industry developed considerably during the first three five-year terms. The industry grew with high protection against external competition, under the pretext that this industry was still at the stage of "infancy". However, after ten years this infant disease has not been cured yet for most industrial branches.

As a rule, industries that are set up in the developing countries, notably as import substitution industries with a high degree of protection, show the following weaknesses in productivity : the scale of production is inadequate, the technology or means of production less advanced, the management less effective, the capacity not yet fully utilised. But the consequence is high cost, so that the goods produced can only be competitive if the same import products are restricted or subjected to high tariffs.

Many sources of the high cost are also found externally. The cost for electricity or fuel oil is frequently high. Capital cost (interest) is also high. The same is true of transport charges and other services to be bought from external sources (e.g. telephones, telex etc.). Prices of basic materials and other needs that have to be imported are high as well.

The two sources, the first being referred to as internal diseconomies and the second external diseconomies, are present in the developing countries in general, independent of the influence of taxation and other official and unofficial levies.

The third category is the high cost resulting from various forms of monopoly. Here monopoly implies its broad sense, viz. a situation in which a company no longer has other choice than buying goods or services that have a single source. Many of such monopolies are created by or coming out of government regulations themselves. Any monopoly finally raises prices, though it is well intended politically, ideologically or from any other viewpoints. Even if the monopoly does not produce high prices, usually it requires government subsidies. If the government withdraw all subsidies, the real colour will show up. This economic reality has been apparent for a long time and has not disturbed our economy thus far. But now this is generally felt as a bitter fact. For instance, fuel oil prices and electricity tariffs that are no longer subsidized will be far higher than the rates in neighbouring countries. As a consequence, our competitiveness on the export market will be much affected.

The government move of April 4 only constitutes the first drive to reduce the high cost sources, generally involving increased cost as a result of the various checkpoints to be passed by import

and export goods and the necessity to use services without effective alternatives, i.e. the presence of an all-monopolistic position.

Following this April 4 move the government should consistently examine other areas, other sources which increase the burden and reduce the productivity of our production apparatus.

The government should assist companies in reducing their internal diseconomies. External diseconomies should also be treated in the same way. Hence there is still a long way to go.

CSO: 4200/914

INDONESIA

PROTECTION FOR NATIONAL INDUSTRIES DISCUSSED

Jakarta BUSINESS NEWS in English 24 Apr 85 pp 3, 4

[Editorial: "The Industrial Protection"]

[Text] One of the conclusions drawn from the discussion of the Indonesian Economists Association in Malang some time ago is that besides bureaucracy and the abuse of bureaucratic authority, protection given to the domestic industry can become a source of the high cost economy. It possibly does not mean any protection, but protection that is given to certain upstream or semi upstream industrial branches, given too long and to a very high extent. Such industries, which enjoy protection for their initial stage, in their development become "spoiled" & incapable of efficient operation. On the other hand, some circles hold the view that excessive protection results from the high cost economy that is caused by the burden of bureaucracy, illegal levies, high expenses on infrastructures, etc.

Since the products of upstream industries have to be consumed by downstream industries, the latter incur high cost, which makes them uncompetitive on the overseas market. Therefore domestic industrial protection, especially that which involves a certain column (vertical line) of industries, can create difficulty to non-oil/gas exports.

In other countries, such as Taiwan, South Korea and even PRC, downstream industries with the export function are provided with export processing zones (EPZ), where they can import basic mate

rials so that they are free from the domestic high cost element. Indonesia does not possess such EPZ.

During the past three five-year development periods this industrial protection posed no problems because the greater part of industries were only built to utilize the domestic market. At present the domestic market is saturated and industries that originally served only to substitute imports should be able to export part of their products. Hence the principles for granting domestic industrial protection are now being reviewed.

The first principle is that protection must be given only for a certain period, during the stage of "infancy". In general such a period is five years and does not exceed ten years. This principle was in the past already applied, and mentioned in government decisions on the provision of protection, such as the tariff protection. However, in practice the period is extended after expiration. Discipline is not strictly adhered to. This increases the spoiled mentality of the industries (businessmen) concerned.

Now this principle of limited time must be again upheld and discipline be firmly abided by. If the period of protection were concretely limited, then the foreign charges that Indonesia subsidizes export industries would miss the point, because this principle of infant industry protection is internationally acknowledged. Japan and Korea also practise the time restriction in their domestic industrial protection.

Another principle of protection concerns the question whether the protection applied only takes the form of fairly high tariffs, or plus other safeguards of a non-tariff nature, such as the quota system, total import bans, controlled trading channels, and so forth.

Indonesia at first only imposed tariff protection. But gradually the protection has developed into various non-tariff methods. The argument frequently heard is that high import duty rates can

be overcome by underinvoicing etc. so that the impact of protection is reduced. Total bans are more effective, but often unfeasible because some imports are still needed. We do not have the quota system, because of the difficulty in administrative realisation (division). Conversely, there are quotas for several export commodities, e.g. tin and coffee, to follow international agreements.

So there is the latest practice of limiting import quantities by granting the right to imports to one or a small number of companies. The leading companies appointed are frequently state run corporations. As in this way the import quantities can be restricted, domestic sales prices increase and the impact of protection to the domestic industry is thus felt. But we should bear in mind that the profit of this monopoly falls into the hands of the consortium.

The dilemma being faced by the government is whether to give protection through high tariffs alone, or to complement not-so-high tariffs with quantitative restrictions. In fact, the first method is better.

However, if protection is supposed to be reduced from now on, the first step should be tariff reduction. Is this right? Or can we also start with the reduction of quantitative restrictions? The latter is actually better.

But in practice the first method is more frequently applied, which in fact is a kind of self deception if quantitative restrictions are not reduced.

Jakarta, April 20, 1985

CSO: 4200/915

INDONESIA

LPG PRODUCTION IN 1984 UP

Jakarta BUSINESS NEWS in English 19 Apr 85 p 9

[Text] Jakarta (Business News) The production of liquefied natural gas (LPG) in Indonesia stood at 711,136 metric tons in 1984, excluding the production of LPG from the Rantau, Mundu, Ardjuna and Santan fields in the period of September-December 1984. Data on the production of LPG from those field during that period have not been reported.

Balikpapan and Dumai oil refineries did not produce LPG in the first four months of 1984. Data on the production of LPG in Balikpapan also have not been reported. If data on the production of LPG from Rantau, Mundu, Ardjuna and Santan have been included, the production of LPG in 1984 will be higher than that figure showing a sharp increase compared with.

Indonesia has so far used LPG for domestic supply. Permanina is planning to export LPG to Japan from 1987. Eight Japanese companies have asked for LPG supply from Indonesia. The detail of LPG production from 1981 to December 1984 is as listed below: (in metric tons)

[see next page for chart]



Y E A R	RANTAU	MUNDU	SEI GERONG	ARJUNA	SANTAN	CILACAP	BALIKPAPAN	DUMAI	TOTAL
1981	15,255	25,589	39,550	369,135	110,829	-	-	-	560,358
1982	19,195	16,675	35,199	296,074	100,365	-	-	-	468,508
1983	16,421	24,333	36,986	331,835	94,401	10,222	-	-	514,198
1984 :									
January	1,291	2,115	2,974	44,086	7,925	7,512	-	-	65,903
February	598	2,017	2,218	48,695	7,794	6,758	-	-	68,080
March	1,100	1,694	3,144	57,035	7,587	8,227	-	-	78,787
April	1,782	2,134	1,426	49,933	6,546	7,892	-	-	69,713
M a y	1,625	1,715	4,079	47,997	7,439	11,186	2,316	824	77,181
J u n e	1,515	2,308	2,723	47,472	7,851	8,781	4,381	399	75,430
July	1,031	2,188	2,311	48,216	7,280	7,358	2,604	571	71,559
Aug u s t	1,289	1,903	199	54,227	8,143	12,469	4,297	1,446	83,874
September	1,240	2,298	397	52,708	8,102	6,392	-	365	76,427
October	*)	*)	414	*)	*)	982	9,629	1,414	12,439
November	*)	*)	110	*)	*)	9,047	6,371	827	16,355
December	*)	*)	95	*)	*)	7,697	5,583	2,013	15,388
T o t a l	11,471	18,372	20,504	450,369	68,667	94,301	40,303	7,859	711,136

\*) Not yet reported.

28 May 1985

## INDONESIA

## BUSINESS NEWS COMMENTS ON DIRECT TRADE WITH PRC

Jakarta BUSINESS NEWS in English 24 Apr 85 p 2

[Editorial: "Opening Direct Trade Trade with PRC Must Always Consider Political Climate"]

[Text] At the commemoration of the 30th anniversary of the Asia-Africa Conference, the presence of the delegation of PRC led by its foreign minister attracts our attention in Indonesia. What is the significance of this event to the future of relations between the two major Pacific countries?

At present this question is still shrouded in a high degree of uncertainty. Indonesia is even inclined to maintain the political status quo, which means that diplomatic ties will not be resumed within a short time. When President Soeharto received British Prime Minister Mrs. Thatcher here, he explained that Indonesia is awaiting a statement from the government and party in Beijing that they will no longer support communist movements in Indonesia and Southeast Asia. Such a statement is estimated not to come out very soon, because of their ideological commitment. If this statement is finally made, then we can be sure that the Beijing regime has now really changed their course and colour, which certainly deserves our warm welcome.

Meanwhile the Indonesian government has hinted that direct trade with China poses no problems. Kadin Indonesia has discussed the opening of direct trade relations and several meetings have been held with the Chinese side. A draft agreement on the arrangement of some practical matters such as visas, shipping, payments through banks, representative offices, etc. has been approved and initialled, pending its official signing. Indonesia would like to realise the signing in a third country, e.g. Singapore. PRC of course prefers our visit

to Beijing. The Chinese apparently welcome the normalisation of these relations more than we (our government) do.

This direct trade is expected to be favourable to both sides. PRC has in fact exported fairly big quantities of industrial products to Indonesia via third countries. On the other hand, Indonesian exports to PRC are still very insignificant, and still they are realised through third countries. Hence if direct trade contacts can be increased, our exports will hopefully also get boosted. We have the prospect of exporting a lot more traditional commodities such as rubber, coffee, pepper, etc. Our historic market share has been seized by neighbouring countries, which have never been absent in PRC. Furthermore, Indonesia has the chance of exporting also its industrial products, including building materials, vegetable oils, chemical fertilizer.

The Indonesian business sector is actually prepared to open this direct trade and, for instance, visit the Canton Fair in April - May this year to seek contacts and explore the market. In private, Indonesian traders have for a long time been able to visit PRC because visas can be easily obtained in Hongkong and their passports are not stamped. However, these Indonesian traders and businessmen prefer to await the official green light to evade the political risk upon their return home.

Indonesian government circles have of late suggested some restraint until after the anniversary commemoration of the Asia-Africa Conference. The precise purpose of this gesture is not much known but the government warning indicates that political aspects should continue to be given due attention by the Indonesian business world.

The business sector of Indonesia should be aware that the political/diplomatic status quo keeps going on. The process of normalising the trade ties must be in phases rather than hastened. In this process Indonesia should also preserve its prestige. The impression that we badly need PRC should be avoided.

The presence of the PRC delegation with its foreign minister constitutes an important stage in the political scene, and in this development the private sector should not take the first move to start the direct trade.

The private sector should also take into account the possible presence of bitter feelings on the

part of the government and the Indonesian Armed Forces, resulting from the aborted communist coup attempt in the past, so that their attitude towards PRC cannot yet be free from prejudice and normal again as it should be towards a big neighbour.

What is expected from the business sector is thus patience and vigilance, towards both the Chinese as well as our domestic circles. Though such a requirement will slow down the process of trade ties normalisation, it can eventually ensure the safety of this process. If we do it too hastily the result can be counterproductive.

CSO: 4200/914

INDONESIA

TRADE FIGURES WITH SWEDEN

Jakarta BUSINESS NEWS in English 26 Apr 85 p 9

[Text]

Jakarta (Business News)

Bilateral trade between Indonesia and Sweden has developed rapidly in the past ten years. Trade activities between the two countries soared from 20,000 tons worth US\$ 16 million in 1974 to 280,000 tons valued at US\$ 115 million.

But Indonesia has incurred deficits in trade with Sweden in the past ten years. The balance of trade between the two countries from 1974 to 1984, according to data collected by BPS (Central Bureau of Statistics), is as follows:

YEAR	INDON. EXPORTS		INDON. IMPORTS		BALANCE FOR INDON. (US\$)
	VOLUME (M.TON)	FOB VALUE (US\$)	VOLUME (M.TON)	FOB VALUE (US\$)	
1 9 7 4	14,450.9	4,475,800	16,199.0	14,239,999	- 9,763,200
1 9 7 5	4,905.6	4,749,200	6,429.0	14,759,000	- 10,009,800
1 9 7 6	17,621.3	4,820,645	12,159.2	22,282,369	- 17,461,724
1 9 7 7	2,462.3	3,181,349	16,371.3	19,779,214	- 16,597,865
1 9 7 8	008.3	2,561,946	120,490.5	34,562,869	- 32,000,923
1 9 7 9	1,760.0	3,261,001	44,878.4	35,626,344	- 32,365,343
1 9 8 0	2,274.7	8,007,746	232,541.1	52,161,001	- 44,153,255
1 9 8 1	2,382.1	8,514,114	479,758.6	78,297,721	- 69,783,607
1 9 8 2	1,821.9	5,115,107	238,563.6	78,877,013	- 73,756,906
1 9 8 3	2,061.0	7,216,207	278,781.1	106,730,027	- 99,477,180
1 9 8 4 (Jan-April)	709.1	3,445,120	373,719.0	35,718,223	- 32,273,103

Swedish imports from Indonesia cover of around 50 kinds of traditional commodities and non-traditional commodities/industrial products, consisting of mainly SIR Crumb Rubber, Arabica and Robusta coffee, black pepper, cinnamon, lengkawang seed, processed rattan, plywood, processed timber, garments, shoes and handicraft products.

Indonesia's imports from that Scandinavian country comprise around 130 kinds of commodities/industrial products, consisting of mainly milk, paper and pulp, iron ore and its concentrate, chemicals, pharmaceutical products, explosives, synthetic rubber, steel products, aluminium, machinery, electronic goods, civil engineering equipment, pumps, telecommunication equipment, motor vehicles and spareparts, office utensils, armoured cars and ammunition for ABRI (Indonesian Armed Forces).

INDONESIA

NES PROJECTS EXPECTED TO ABSORB MANY JOB SEEKERS

Jakarta BUSINESS NEWS in English 19 Apr 85 p 8

[Text] Jakarta (Business News)

President Soeharto has called for the stepping up of the development of PIR (Nucleus Estates for Smallholders) projects so as to accommodate a great number of job seekers as soon as possible. This was disclosed by the Junior Minister for Hard Crop Production Ir. Hasyrul Harahap, in his lecture at the University of Pajajaran in Bandung recently.

According to the minister, the number of job seekers getting jobs in PIR project is estimated at 2,625,000 in Pelita IV (1984/85-1988/89), compared with 551,000 in Pelita III (1979/80-1983/84). Around 440,000 families in transmigration centres are expected to be involved in the cultivation of 1,100,000 ha of PIR plantations at the present time, he said.

PIR plantations, according to Harahap, consist of plasm (80%) and nucleus (20%). Some 440,000 migrant families to be involved in the planting of hard crops in PIR plantations will expectedly consist of voluntary transmigrants, the minister said.

The development of nucleus plantations under PIR projects, comprising rubber, oil palm and coconut plantations, covered 116,000 ha in Pelita III. The 116,000 ha of plantations can accommodate and increase the working productivity of 58,076 families taking part in the PIR projects. The development of plasm plantations in Pelita III covered 63,257 ha.

With the assumption that each worker/farmer cultivate 2 hectares of land, PIR projects could accommodate 31,628 workers/farmers in Pelita III.

In line with the increase in the realisation of the PIR program in the current Pelita IV, the absorption of job seekers and the enhancement of productivity are expected to increase further in the coming years, the minister revealed.

Based on the assumption that every 2 hectares of plantations are served by a worker/farmer, 220,000 ha of nucleus plantations to be developed in Pelita IV are expected to accommodate 110,000 job seekers. Thus PIR projects will be able to give jobs to around 550,000 people in Pelita IV, he explained.

57 PROJECTS : Minister Hasjru Harahap said the number of PIR projects was registered at 57 found in 20 provinces in 1984. The spread of PIR projects in various areas in the country, according to Harahap, will make isolated areas accessible. Thus the PIR program will support the effort to increase national resilience, he pointed out.

The development of crop commodities is not the main purpose of the implementation of the PIR program, as the program is more emphasized on the creation of healthy settlement sites and the improvement of the livelihood of farmers involved, he explained.

CSO: 4200/914

INDONESIA

NUMBER OF TAXPAYERS UP

Jakarta ANTARA NEWS BULLETIN in English 21 Apr 85 p A6

[Text] Jakarta, April 20 (ANTARA).--The number of taxpayers following the government's enforcement of the new taxation systems has increased by 51 percent from 543,000 in 1984 to 820,000 on March 29, 1985, Director General of Taxes Salamun AT disclosed Friday.

The figures comprised only tax-payers on corporate income, individual income and properties. If it included the number of tax paying employers totalling 900,000 the aggregate would stand at 1,720,000, he said.

Director General Salamun pointed out that the number of corporate income tax-payers rose by 66 percent, individual income tax-payers up by 43 percent, employer tax-payers up by 33 percent and property tax-payers up by 153 percent.

The number was still estimated to climb higher pending data on March 30, 1985, when many tax-payers rushed to fill tax-forms and settled tax payments.

The Director General seemed much relieved with the figures representing an improved conscience of the public in tax-paying obligation and indicating a promising start of the enforcement of the new taxation systems.

Nevertheless, Salmun still felt some of the public yet remained reluctant to exercise the obligation. For them, he made a plea for their participation, saying it would help promote development and further step up the people's social welfare.

In giving some encouragement, the Directorate General is also now planning to simplify its tax forms considered "so complex" by most of the new tax-payers.

"The simplification will not render any more new problems," he promised, assuring that the coming new forms should be much easier to comprehend.

CSO: 4213/916



INDONESIA

TAX RELIEF TO INVESTORS VIEWED

Jakarta BUSINESS NEWS in English 26 Apr 85 p 2

[Editorial: "Facilities for Investors"]

[Text] Deputy Chairman of BKPM (Investment Coordinating Board) Ir. Sanyoto Sastrowardoyo has announced several facilities for investors that in fact lie in the area of taxation. But since the new tax law explicitly stipulates that taxes do not serve as an instrument to boost or hamper investments, the facilities given by the government thus only take the form of suspension, rather than abolition or tax holidays.

The BKPM Deputy Chairman affirmed that domestic investors (PMDN) or foreign investors (PMA) can submit applications for suspension of the value added tax (PPN) on the import of certain capital goods. But these capital goods must be in the form of machines that are directly connected with the process of manufacturing taxable goods produced by the industries concerned. The machines are also required to have a period of utility of more than one year. The facilities offered will be annulled if the capital goods turn out to have no direct connection with the process of manufacturing taxable goods or turning out taxable services. These facilities will also be cancelled if the capital goods are sold or transferred, partly or wholly, before their period of utility expires.

PPN on the purchase of basic/complementary materials can be credited (as the input tax) against PPN collected upon the sale of their products (the output tax). But for the period before commercial production, investors can have a refund of the PPN they pay for the purchase or import of basic materials, complementary materials etc. The refund of PPN will be realised within three months starting from the application for this purpose.

PMDN as well as PMA can also obtain a 100% exemption from import duty on machines that are directly related to production, such as base/pollution machines. A 50% exemption can be given to support-machines for workshops, laboratories etc. Similarly, import duty relief is offered to basic/complementary materials.

The above provisions indicate that the government is actually aware of the necessity to provide certain facilities in order to attract PMDN as well as PMA, especially during their first years of operation. But as stated in the tax law that taxes are not used to draw or impede investments, these facilities are granted through the suspension of tax payment, in this case PPN.

Indeed, if we are supposed to achieve the average annual growth rate of 5% in the Fourth Five-Year Plan, investments inevitably have to be stimulated, and with the depleting funds at the disposal of the government, it is private investments that must be promoted. This even more becomes an absolute requisite, because in 1983 the economic growth only reached 4.2% while the rate for 1984 is estimated also at less than 5%. It means that for the remaining three years of the fourth five-year period the Indonesian economy must achieve a growth level of well over 5%.

One of the factors that caused the decrease in the number of PMDN as well as PMA applications last year was the wait-and-see attitude on the part of would-be investors to see how the new tax law, effective starting 1984, will be implemented. As expected, such a fundamental change constitutes a very important factor of uncertainty. Because in the context of Indonesia it frequently -- perhaps even generally -- happens that legal stipulations do not always conform to practical implementation. The implementation often "can be arranged", here there is still a lot of room for "discretion".

With regard to the facilities revealed by the Deputy Chairman of BKPM, one important thing seems to require further clearcut definition so as to eliminate the possibility of ambiguous interpretation. What we mean is : after obtaining the suspension of PPN payment without any violation so that the facilities are not cancelled, when must the value added tax be settled ? Or should the term "suspension" be interpreted as in the case of suspension of PPh (income tax) and PKk (property

tax) on time deposits of more than one year, in which the taxes are not collected at all ?

An explicit definition of the term "suspension" will greatly help eliminate the possibility of doubt and/or ambiguity in interpretation, and in this way will much more arouse the interest of capital investors.

CSO: 4200/915

INDONESIA

TURNOVER OF NATIONAL PRIVATE BANKS UP

Jakarta BUSINESS NEWS in English 17 Apr 85 p 9

[Text] Jakarta (Business News)

The turnover of national private commercial banks in Indonesia sharply rose from Rp 658 billion in 1979 to Rp 4,399 billion last year, showing an increase of around 568.5 percent. This was stated by Maryanto Danusaputro, a director of Bank Indonesia, when he attended the opening of the central office of Bank Umum Nasional here recently.

The soaring increase in the turnover of national private commercial banks rose their share in the total bank turnover throughout the country from 8.9 percent in 1979 to 14.4 percent in 1984.

Funds collected by national private commercial banks in the form of demand deposits, savings and time deposits were up drastically from Rp 382 billion in 1979 to Rp 2,646 billion last year, showing an increase of about 592.7 percent.

The amount of credits extended by national private commercial banks jumped from Rp 420 billion in 1979 to Rp 3,021 billion in 1984, an increase of around 651.5 percent.

The new central office of Bank Umum Nasional, a national private commercial bank, was inaugurated by Governor of Jakarta R. Soeprapto. President Director of Bank Umum Nasional (BUN) Kaharudin Ongko said on the occasion that the growth of the banks in the 1981-1984 period averaged 50 percent a year.

The total assets of the bank stood at Rp 292 billion at the end of 1984 and went up to Rp 317 billion at the end of the first quarter of 1985, according to Kaharudin. Export transactions served by the bank reached Rp 112 million last year. BUN has up to the present time sold money market securities worth Rp 3 billion with an interest rate of 20.5 percent.

CSO: 4200/914

INDONESIA

**MORE WORKERS TO BE SENT ABROAD**

Jakarta BUSINESS NEWS in English 17 Apr 85 p 7

[Text] Jakarta (Business News)

Minister of Manpower Sudomo told the visiting delegation of Arab Chambers of Commerce & Industry here recently that Indonesia would continue to send workers to other countries in accordance with the demand.

He pointed out that around 70,000 Indonesian workers have been involved in working contracts for the handling of development projects in Saudi Arabia in the past five years.

The number of Indonesian Workers taking part in the handling of development projects in Saudi Arabia is still smaller than the number of workers from the Philippines and South Korea working in that Mideast country, he revealed.

Sudomo expressed happiness for the productive work of Indonesians involved in working contracts in Saudi Arabia and the capability of Indonesian workers in competing with workers from other countries. Their capability to compete with workers from other countries indicates that Indonesian workers can carry out hard and productive works.

The minister expressed confidence that Indonesian workers involved in working contracts abroad could step up their achievement if they were well trained to improve their skill and given a description of the working condition and their income before they were sent abroad.

He disclosed that the Indonesian Government, in cooperation with private companies, were at present preparing professional and skilled workers through vocational training centres to meet the need for skilled workers in the country and to fulfil the demand of other countries for Indonesian workers.

In the near future, Indonesia will be able to send abroad professional and skilled workers who can handle job professionally in hotels, hospitals, construction projects, telecommunication field and various other fields, Sudomo said.

The head of the Arab CCI delegation, Syekh Ismail Abu Dawood, said meanwhile that Indonesian workers involved in working contracts in Saudi Arabia were relatively good compared with those from other countries, particularly because of the similarity in religion and culture. Several members of the delegation also stated the same view.

He expressed the hope that Indonesia could win the opportunity to supply workers to the Middle East, as several Arab countries had stopped receiving workers for instance from the Philippines.

The delegation also suggested that Indonesian workers to join working contracts in the Arab countries should have with them certificates in accordance with their professions/skills.

The time for the completion of the extension of visas at the Indonesian Embassy in Saudi Arabia should be shortened, the delegation proposed. At present, it takes more than 20 days to complete the extension of visas.

CSO: 4200/914

INDONESIA

SUHARTO INAUGURATES PT PAL SHIPYARD

Jakarta BUSINESS NEWS in English 19 Apr 85 p 3

[Text] Jakarta (Business News)

A strong armada is required to secure comprehensive national integrity; therefore, it is imperative for Indonesia to have a strong armada, President Soeharto has said.

The Head of Government stated further when inaugurating PT PAL Indonesia, a state-run shipbuilding company, in Surabaya recently that to create a strong armada, Indonesia had to develop the maritime industry that could build, repair and undertake the maintenance of vessels.

The President pointed out that big investments, advanced technology, experts and skilled technicians were needed in developing the maritime industry. This field of industry must continue to grow in line with the progress of national development, he stressed.

In the effort to develop the maritime industry, the Indonesian Government decides to support the growth of PT PAL Indonesia five years ago, utilizing facilities, infrastructures and personnel available in the dockyard of the Indonesian Navy.

The development of the maritime industry in Indonesia is for the sake of not only PT PAL Indonesia, but also the future of the nation in utilizing the industry.

The operation of PT PAL Indonesia should also be useful to, among others, docks, shipbuilding companies, scientific



institutions and other institutions dealing with the maritime field.

For the purpose, PT PAL Indonesia must be able to :

- adopt and develop advanced technology, and transfer technology it has mastered, foreign technology as well as technology it has invented and developed, to institutions/companies dealing with maritime and shipbuilding technology and engineering free of charge;
- support the growth of companies/institutions dealing with shipbuilding and marine technology, so that they can develop to the same level as PT PAL Indonesia;
- master technology and apply it in the armada of the Indonesian Navy and other fleets belonging to the government, including merchant fleets;
- improve the knowledge, expertise and skill of Indonesian sons interested in the shipbuilding field;
- create job opportunities in the field of shipbuilding technology and engineering, in PT PAL itself and in other dock yards as well as companies that support the growth of the shipbuilding industry.

CSO: 4200/914

INDONESIA

MODERNIZATION OF BELAWAN PORT CONTINUES

Jakarta BUSINESS NEWS in English 19 Apr 85 pp 3, 4

[Text] Jakarta, (Business News)

The fourth contract for the modernization and development of the Belawan port, North Sumatera, was signed here recently by the President Director of the First Seaport Public Corporation, F. Makalew, and the President Director of PT Tji riadharma, Ir. Harsono, at a ceremony attended by the Director General for Sea Communication, J.E. Habibie.

The fourth contract includes the building of two transit warehouses measuring 40 x 100 sq.m. each, two container freight stations, a warehouse for dangerous goods, an office building, a dining room for port workers, a post office, a water installation and some other facilities.

The contract is worth Rp 7.227,676.264, of which 55% is derived from the Asian Development Bank (ADB) and 45% from the State Budget. The supervision of the project is undertaken by Sir William Harl crew & Partners from London and Biro Insi nur Exakta, an Indonesian engineering agency. Facilities and infrastructures to be built under the contract just signed are expected to be completed 19 months after the signing of the contract.

Project leader Ir. Soemardi said at the signing ceremony that the development of the Belawan port has just entered the second stage. He disclosed that the modernisation of the port would be continued till the year 2000.

The cost of the development of the port in the first stage amounts to around Rp 43 billion derived from foreign assistance and the State Budget. The first contract for the modernization of the port was signed here on March 27, 1980. The second and third contracts were respectively signed on January 13, 1982, and November 22, 1983.

The first contract was financed with funds derived from the State Budget and West German assistance, the second contract was also financed with funds derived from West German loans and the State Budget, and the third contract was financed with a loan from ADB and funds from the State Budget.

The Government of the Netherlands will provide assistance worth around Rp 20 billion for the procurement of equipment, such as cranes and trailers needed in the operation of the port.

CSO: 4200/914

INDONESIA

**BAN ON FOREIGN VESSELS FROM DOMESTIC ROUTES HAILED**

Jakarta BUSINESS NEWS in English 24 Apr 85 p 7

[Text] Jakarta (Business News)

The Indonesian Shipowners Association (INSA) hails the government decision to ban the operation of foreign vessels for interinsular/domestic routes in Indonesia. This means the government maintains the cabotage system that has been implemented based on the Government Regulation (PP) No.2/1969. INSA Chairman Drs. Sjamsudin M. said here recently.

The decision announced by Minister of Communications Rockmin Nurjadin involves national assets, according to Sjamsudin. He also stated that the availability of foreign vessels to serve domestic routes in the state of emergency could not be expected; therefore, the decision to ban the operation of foreign vessels for domestic routes is reasonable.

Foreign vessels are allowed to carry cargoes from Indonesian ports, but only for international routes. They are also allowed to carry goods from abroad into Indonesia and unload their cargoes at any ports in Indonesia, from one port to the other in this country.

With the implementation of the Presidential Instruction (Inpres) No.4/1985, the navigational system applied in Indonesia remains unchanged, Sjamsudin said.

The implementation of the inter-island liner service system which is still under trial test and the shipping operational network in the eastern part of Indonesia are also maintained.

With the government decision to give permits to national shipping companies to sign agency agreements with foreign shipping companies, the executive board of INSA is demanded to select tightly members of the association, he said.

The minister of communications has also stated that INSA should report its members that are unable to fulfil requirements, so that the government could take measures.

In this connection, the executive board of INSA hopes for real measures of the government, for instance by revoking licences already given to shipping companies failing to fulfil requirements.

Such a stern measure is necessary, so that there will be no chance given to shipping companies which have no ships and only operate vessels belonging to other companies.

CSO: 4200/915

INDONESIA

LICENSING PROCEDURE FOR EMPLOYMENT OF EXPATRIATES SIMPLIFIED

Jakarta BUSINESS NEWS in English 26 Apr 85 p 3

[Text] Jakarta (Business News)

The Vice Head of BKPM (Investment Coordinating Board), Ir. Sanyoto Sastro wardoyo, stated here recently that the simplification of the licensing procedure for the recruitment of expatriates aimed to shorten the time taken to process applications for employing foreigners.

The new stipulations in the licensing procedure for the employment of expatriates in Indonesia are as follows:

1. Investment companies which have obtained approval from the government must prepare their employment plan (RPTK) and submit it to BKPM not later than three months after they receive final approval/presidential approval, for validation by BKPM.
2. Based on RPTK which has been ratified, investment companies can submit their applications when foreigners who will be employed have been ready to come. Based on the result of examination on RPTK, BKPM gives recommendation (TA 01) to the director general of immigration with copies given to, among others, BKPMD.
3. Based on that recommendation (TA 01), the Directorate General for Immigration issues visas for temporary stay (VBS) through Indonesian embassies/representatives. Foreigners who have obtained VBS are allowed to arrive in Indonesia and directly come to the location of projects where they will work.

4. Companies which employ expatriates are obliged to submit applications for obtaining expatriates recruitment permits (IKTA) to BKPM (Provincial Investment Coordinating Board) in the operational area of the companies. The head of BKPM, based on IKTA and TA 01, issues letters on IKTA for BKPM on behalf of the minister of manpower.
5. The extension of IKTA is given by the head of BKPM to the head of BKPM on behalf of the manpower minister.
6. If companies make applications for the extension of IKTA for posts which should no longer be occupied by expatriates, the applications must be submitted to the head of BKPM, with enclosures containing:
  - explanation about efforts they have made in the replacement of expatriates with Indonesians and difficulties they face in the realization of the Indonesianization program;
  - efforts they have made in preparing Indonesian sons capable of taking over posts occupied by expatriates, and for the purpose management of the companies must be able to seek skilled personnel from outside the companies with approval from the head of the provincial office of the Manpower Department.
7. BKPM and the Manpower Department, after considering the reasons forwarded by applicants for the extension of IKTA will give the decision to BKPM to approve or not the applications.
8. While the proposals for the extension of IKTA are still under consideration of BKPM and the Manpower Department, the head of BKPM can give temporary extension approval (TA 04) to the companies concerned for not more than two months.

CSO: 4200/915

INDONESIA

MANDATORY SERVICE FOR UNIVERSITY GRADUATES PLANNED

Jakarta ANTARA NEWS BULLETIN in English 19 Apr 85 pp A8, A9

[Text] "Butsi" to be abolished, Minister Sudomo says. Jakarta, April 18 (ANTARA).--The Development Volunteers Agency (BUTSI) will be abolished, in connection with the planned enforcement of the regulation on compulsory two-year work for university graduates.

This was stated by Minister of Manpower Sudomo in his lecture attended by students of the University of Krisnadwipayana, as its campus here, Wednesday.

The lecture themed "Problems of employment and the challenges in entering the second year of Pelita IV (the five-year development plan)" was organized by the Senate of the Faculty of Economics of the University of Krisnadwipayana.

Minister Sudomo stated the educational system in Indonesia organized in line with the available job opportunities, so that the alumni were suitable and ready for employment.

"The setting up of many universities must be prevented, while the graduates do not suit the jobs available", Sudomo said.

The minister gave an example that law graduates were too many, so that the alumni should be limited and should be offset by producing more doctors and engineers.

Touching on expatriates, Minister Sudomo said in this country, there were about 18,000 of them 9,000 of whom were working in the field of management.

To replace them, companies and the government are trying to offset the replacement gradually.

The lecture received a great attention from the students of the university, especially those of the faculty of economics.

CSO: 4213/916



INDONESIA

BRIEFS

POPULATION PROJECTIONS--Jakarta, April 21 (ANTARA).--The National Family Planning Coordinating Board (BKKBN) has projected the Indonesian population in the year 2000 to reach around 208 million to 210 million, if the realization of family planning program in Indonesia runs as expected. But if the implementation of the program fails to meet the target, the Indonesian population in the year 2000 is estimated at about 240 million to 250 million, BKKBN Chairman Dr. Haryono Suryono told newsmen after he met President Soeharto at Bina Graha here Saturday. The BKKBN chairman expressed his optimism that Indonesia would make a success in implementing the family planning program, providing the program got support from all sides. The realization of the family planning program in rural areas is smoother than that in urban areas, according to the BKKBN chairman. But the number of family planning participants in several towns begins to grow rapidly at present, he added. [Text] [Jakarta ANTARA NEWS BULLETIN in English 21 Apr 85 p A2]

COAL PORT TO BE BUILT AT TELUK BAYUR--Padang, April 26 (ANTARA).--A special port for coal capable of handling 750 tons (of coal) per hour will be constructed in Teluk Bayur beginning next year at a projected cost of Rp.17.6 billion. According to Soehandojo, head of the production unit of the firm "Perum Tambang Batubara" the location for the port measuring 18,400 square meters which was formerly the location of PT. Tigas has been made available. Fund for the port construction will be obtained from the Pelita (five year development plan) budget for public mining during the 1984/85 and 1985/1986 period. Soehandojo said the special port which would be able to receive vessels of 25,000 DWT, is to replace the former pier which could no longer meet present demand. Besides the coal pier, a storage which is useable to receive 60,000 tons of coal will also be set up in the location, he said. Soehandojo stated that the Ombilin Coal Mine in Sawahlunto, West Sumatera, which will take advantage of the coal port is expected to ship some 929,000 tons of coal a year comprising 120,000 tons to the Cement Andalas Plant in Aceh, 100,000 tons to Cement Nusantara Plant in Cilacap and another 709,000 tons to be exported abroad. [Text] [Jakarta ANTARA NEWS BULLETIN in English 27 Apr 85 p A3]

NEW MALAYSIAN AMBASSADOR--Kuala Lumpur, April 19 (ANTARA/AFP).--The Malaysian foreign ministry today announced the appointment of New Malaysian Ambassadors to Indonesia and Vietnam. Former Ambassador to Kuwait Mohamed Khatib Abdul Hamid has been named envoy to Indonesia, replacing Mohamed Rahmat whose term of office ended last November. [Text] [Jakarta ANTARA NEWS BULLETIN in English 20 Apr 85 p A1]

KIRIBATI

NEW ZEALAND AID FOR KIRIBATI FISHING INDUSTRY

Auckland THE NEW ZEALAND HERALD in English 29 Mar 85 p 20

[Text]

An Auckland fisheries consultant, Dr George Habib, is going to Kiribati to help to develop its fishing industry, but he will be talking to the Americans, not the Russians.

He leaves for Tarawa in about two weeks under a New Zealand aid scheme which could provide a long-term solution to Kiribati's fisheries problems and make it unnecessary for that country to have to court deals with Russia.

He has been given a one-year assignment to help Kiribati to establish its own fleet of purse-seiners.

"I shall be going to the United States for two weeks looking at various vessels with regard to Kiribati establishing its own capability to catch tuna," he said.

Kiribati has one of the richest tuna fishing grounds in the Pacific. Japanese pole and line tuna boats took an estimated 30,000 tonnes of skipjack and yellowtail tuna from its waters last year with an estimated market value of \$US700 a tonne.

Big American purse seiners also work Kiribati waters and their presence had led to the row over access and fishery fees.

Kiribati already had four pole and line boats of its own and according to Dr Habib, a study has shown the feasibility of its getting into purse seining on its own account.

"We are only looking at

boats at this stage and the United States option is just one, but I don't think we will be looking at the Russians," he said.

President Tabai regards the project Dr Habib is involved in as quite separate from the fisheries access negotiations his country is now having with the Russians, which could give purse seining rights to eight or nine Russian boats.

Dr Habib said Kiribati would probably get off to a modest start with one purse seiner and it would have to rely on foreign expertise to run it until its own fishermen had learned the ropes.

Under the long-term strategy Dr Habib is examining, the Kiribati fleet would probably land its catches at Pago Pago in American Samoa and work under contract for one of the big American canneries.

"American Samoa has cheap fuel, supplies and repair facilities and that is where the fish is likely to be marketed," he said.

The project is jointly sponsored by the Forum Fisheries Agency which is supplying a fisheries economist and a legal officer.

Kiribati declared a 200-mile economic and fisheries zone in 1978 which gives it potential control over more than a million square kilometres of ocean. It already receives more than \$1 million a year in foreign fishing fees from licensed boats.

LAOS

# SAVANNAKHET HARVEST RESULTS, LOSSES, LIVESTOCK

Vientiane PASASON in Lao 10 Apr 85 p 2

[Article by Sengdeun Heungsavat: "Agricultural Production in Savannakhet Province"]

[Excerpts] As a result of the careful carrying out of the actual tasks of different levels of administrative committees and the technical cadres concerned along with the people and farmers of ethnic groups throughout Savannakhet Province, the wet rice production of the people and farmers of ethnic groups in 1984 succeeded according to the plan. Of the expected 83,000 hectares they did 83,697 hectares. Here 574 hectares were reopened and 299 hectares were revived. Later in the harvest season they were able to actually harvest 68,795 hectares. This is because over 10,000 hectares were damaged by the floods in the middle of the rainy season. In the rest of the 68,795 hectares that was left from the flood, the rice plants grew better than in 1983. The harvest yielded 172,850 tons, 21 percent over that for 1983. This is because they had carried out the simple techniques of intensive agriculture, and it was expanded extensively among the farmers. This was demonstrated by their transporting a total of 56,632 tons of manure, 'green' fertilizer, and compost into the ricefields. These figures exceeded those for 1983 by 42,742 tons. There are 12,487 hectares of technical intensive agriculture. The use of good and improved strains of non-glutinous rice expanded fairly well when compared with a total of 3,120 tons of seedlings. Here 15 percent was good strains of non-glutinous rice and 10 percent was improved strains of rice. The total rice production in 1984 including dry-season rice, wet rice, and hill farm rice was 189,500 tons, 24 percent over that for 1983.

Speaking of different kinds of animal raising by the people, the results are fairly good. This was shown in the increase in animals of each kind, e.g., there are 190,892 buffalo, a 3.35 percent increase over that for 1983; 185,860 cattle, a 3.48 percent increase; 150,594 pigs, a 3.66 percent increase; 739 horses, 3,939 goats and sheep, 4 elephants, and 722,243 poultry. Animal raising in animal husbandry settlements was improved very well. We can summarize it by saying that there are over 700 cattle and buffalo and over 6,000 pigs and chickens in different settlements.

In veterinary work there is a good plan for protection. In 1984 they were able to vaccinate over 93,200 domestic cattle and over 3,300 pigs, and over 2,000 sick animals were treated.

In 1983 Savannakhet Province had 53 agricultural co-op units. In 1984, 115 agricultural co-op units were set up, which is 13.86 percent in excess of the expected figures of 101 in the plan set by the second congress of the Savannakhet Provincial Party Committee. Therefore, in 1984 there were old and new agricultural co-ops totaling 168 units which are operated systematically. The solidarity labor exchange units were expanded to 80 units and there are 636 production groups.

9884

CSO: 4206/127

LAOS

#### VIENTIANE DISTRICT DESCRIBES PUBLIC SECURITY OPERATIONS

Vientiane VIENTIANE MAI in Lao 10 Apr 85 pp 1, 4

[Article: "The Saisettha District Public Security Service Summarizes Its 1984 Achievements"]

[Excerpt] On the afternoon of 6 April 1985 in the entertainment hall of Saisettha District (Sisangvon), Vientiane Capital, there was an official ceremony to summarize the 1984 achievements of the PSS section in Saisettha District, Vientiane Capital.

Honored participants in the ceremony were Mr Savang Saikhampheng of the party committee and administrative committee of Vientiane Capital and secretary of the Saisettha District party committee, Mr (Phanti) Keovongsa of the district party committee, and more than 150 PSS cadres and combatants.

On this occasion the committee responsible for the district PSS read the annual summary for the PSS cadres and combatants' achievements in the 1984 period.

We learned from the summary that after the past 1 year work period these district PSS cadres and combatants were able to score the following actual achievements. They set up a total of 44 PSS networks in different grassroots production units where there are 303 people of which 10 are women, they improved and trained 478 [family security guard units] involving 956 people, they opened courses for 4 groups of cadres and government employees to learn political documents, they led the PSS on patrol 81 times with 1966 [personnel], and they successfully mobilized and registered 7,146 families for family registration districtwide. There were 47,272 people of which 23,069 were women. There were 169 families with 9 alien nationalities. There were 803 people and 408 of them were women.

In the spirit of self-sufficiency and self-reliance they all worked in unity to do dry-season rice farming and to grow secondary starchy crops on a total of 10 hectares. They also raised a number of different domestic animals.

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CSO: 4206/126

LAOS

# XIENG KHOUANG FREE MARKET PRICE REPORT

Vientiane PASASON in Lao 11 Apr 85 p 2

[Article by Chittalat: "A Tour of the Kham District Market"]

[Text] In order to understand the lifestyle of the people in Kham District, Xieng Khouang Province, and how well it is assured, I would like to take you on a tour of the Kham District market.

The Kham District market is not very far from the Kham District Administrative Office. If we look at it from the outside you would see it was allocated in an orderly manner because trading is done actively and orderly. However, if you were to walk and observe and ask about it you would learn that it is a market which is made up of a majority of active and enthusiastic buyers and sellers. This is because the surplus production of the people is increasing steadily. Even though I arrived at the market at 5:00 am I noticed that people were crowded all over the market even before my arrival. This is one thing special about the Kham District market, it opens very early and closes before 9:00 am without having to have any regulation to enforce it because between the sellers and buyers they all have their own tasks to be done each day.

Inside the market I noticed that there were more sellers than buyers, and closer observation revealed that most of the buyers were not local people from Kham District. They were from other districts and provinces and bought goods such as garlic, onions, different kinds of vegetables, meat, fish, and different handicraft products. We learned by asking the price that dried garlic was 40 kip per kg, cabbage was 15 kip per kg, and duck eggs were 20 kip per 3 eggs. It costs 20 kip for noodle soup or rice vermicelli which is considered enough for a hearty appetite, while for a light eater 10 kip would probably be sufficient. If one wants to eat cooked glutinous rice, a package costing 10 kip would be enough for 2 people. I bought 1 kg of beef costing 100 kip, which is the same as the price for pork and buffalo meat. The highest price for a duck or chicken was less than 200 kip. Many cadres I met at the market expressed their feelings which can be summarized by saying that the standard of living of the people in Kham Districts and also the other districts in Xieng Khouang Province is improving steadily. The standard of living for cadres, military and government employees is fairly well guaranteed. According to Comrade Khamdi, the district party committee secretary, in the coming years if production is carried out fully it is certain that Kham District will be the most abundant district in Xieng Khouang Province.



LAOS

## QUESTIONS RAISED OVER CONFISCATION OF HOME

Vientiane VIENTIANE MAI in Lao 8, 9 Apr 85 p 2

[Conversation with the Editor: "In What Cases Will Homes Be Considered To Be Owned by the State?"]

[Excerpt] Today I would like to clear up a question I have and, generally speaking, for all Lao who completely liberated the national democracy for united understanding throughout the nation in order to focus on protecting state property and also the property, legal rights, and interests of our people. Thus, I would like to ask you three questions.

1. In which cases will homes be considered state-owned?
2. What would this case be? There is a house in which since it was originally built there were four people all together, father, mother, daughter, and son-in-law. Now the house is 20 years old. The parents and their daughter and son-in-law have been living together as one family and have never even once been separated.

When the nation was completely liberated and the LPDR was established, the daughter and son-in-law fled the country. Thus, there are only the father and mother left in the house. They continue to live in the house as usual. Since the nation was liberated until now the [base witnesses] and many sets of village and canton administrative committees have confirmed that the house is the property of the mother. Two consecutive sets of village and canton administrative committees have signed and stamped their seal as definite evidence. However, now there has been a change and the house is considered to belong to the people who fled, so that it must be under the protection of the administrative committees. Thus, we want to ask you whether (A) does this house belong to the ones who fled the country? Will the parents who are left in the house have the right to this house, or will it become state-owned? And (B), would it come under state control?

(C) Suppose a son of the brother of the son-in-law who fled the country, who is a cadre in the Ministry of Interior, comes to take the house from the mother who lived in it, based on a transfer of ownership paper which was done by only two people, the one who fled and the one who claims it, and there was neither even a single witness nor any administrative committee nor any organization to confirm the paper on which his claim is based.

I hope you will answer my three questions above well so that our Lao people can all understand. Thank you very much in advance. (Signed) Soulichan in the Vientiane Bridge and Road Construction Company.

[Answer] Dear Soulichan. VIENTIANE MAI discussed a case like this. Thus, the discussion today will help those who still do not know to understand because all that you mentioned must be discussed legally. Absolutely no one can claim his right over it without any witnesses. Thus, to answer your question, it is the administrative committee's duty to report to the higher echelons in order to decide. The case should not be decided without laws.

Therefore, VIENTIANE MAI recommends that you contact the section concerned for basic discussions and send the case up [different] levels properly because the cases involving homes have been very confusing. Many people give their own reasons. Only the law should be able to decide the case. Please follow this advice. If you have proper evidence the house would definitely belong to you according to the law. Thank you.

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CSO: 4206/126



LAOS

ETHNICITY OF LPRP CC, LAO THEUNG LANGUAGE BROADCASTS

Vientiane VIENTIANE MAI in Lao 5 Apr 85 p 2

["Conversation with the Editor" Column: "Will the Lao Theung Language Ever Be Broadcast?"]

[Excerpt] [Question] 1. Why are there no Lao Theung language broadcasts (mid-land Lao) on the National Radio?

2. Are there any Lao Theung on the LPR Party Central Executive Committee, the party central committee politburo, or on the LPR party central committee? Please answer by letter if this letter cannot be printed in your newspaper column. Thank you. Vientiane mid-level vocational school (Km 3) Machinery section. (signed) Bounchan Sopaseut.

[Answer] Dear Comrade Bounchan Sopaseut. Thank you for your letter. Actually, our answer may only be one percent correct. This is because we have only fairly limited knowledge ourselves. We learn as we work. Please send in your comments on whether [what] we have to say is right or wrong. We would like to discuss your question as follows.

1. We talked with the comrades in national radio broadcasting, and we found that they would like to broadcast many Lao ethnic languages. However, the present situation is not ready for doing so, and they can broadcast only in the Mong language. From now on we believe it will be improved.

Please be patient.

It is good to listen to the central dialect so that all Lao will get to know the central dialect well.

2. We cannot give all that you want to know, but we would like to have you review the names in detail and then you will know the ethnicity of each individual. However, no matter what the ethnicity is they are all Lao. Happy New Year.

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CSO: 4206/126

LAOS

# BRIEFS

**VIENTIANE TAX COLLECTION**--Since early January 1985 cadres and government employees in the revenue section in Nasaithong District, Vientiane Capital, have all actively carried out their own regular responsibilities. They organized, inspected, and collected fees from different merchants throughout the district. They now have a total income of 359,859 kip or 30 percent of the plan. [Excerpt] [Vientiane VIENTIANE MAI in Lao 10 Apr 85 pp 1, 4] 9884

**VIENTIANE DISTRICT BANKING**--With a spirit of striving to achieve the plan, throughout the 1984 year the cadres within the State Bank of Nasaithong branch, Vientiane Capital, all determinedly and enthusiastically scored achievements in their specialized tasks, e.g., they received deposits totaling 1,834,409 kip from work sections, offices, and organizations around their own district, 111,460 kip of savings deposits, and 34,400 kip of the savings lottery. The bank in this district received a total of 18,410,074.85 kip in 1984. Comrade Nang Khamponglatsavong, chief of the bank, told VIENTIANE MAI that in the first quarter of 1985 we were able to receive 10,885,936.00 kip cash from various work sections around the district. Here we also received savings deposits of 40,760.00 kip. When compared with the quarterly plan we were able to meet the expectation in every way. [Excerpt] [Vientiane VIENTIANE MAI in Lao 6 Apr 85 pp 1, 4] 9884

**VIENTIANE PROVINCE HARVEST**--Recently the agriculture, irrigation, and agricultural co-op [section] in Vientiane Province held a ceremony to summarize the 1984 achievements and to honor outstanding work sections and individuals. They summarized a short-term emulation operation to score achievement for the 30th anniversary of the LPRP Establishment Day. Last year after the 2nd quarter emulation plan, according to Mr Sivilai Soulivong, a regular member of the provincial party committee and chief of the agriculture, irrigation, and agricultural co-ops in Vientiane Province, by receiving attention from the party committee and all levels of the administrative committees, Vientiane Province was able to organize and improve 93 agricultural co-ops; the actual rice production was 119,739 tons or 482 kip per capita districtwide. Animal husbandry was increased, i.e., throughout the district there were 124,100 cattle. As a result, the province became self-sufficient and self-reliant in terms of the food supply. They mobilized the people in Phon Hong, Thoulakhom, and Keo-Udom Districts to collect over 400 tons of manure and compost for wet-rice growing. They expanded 24 units of agricultural co-ops of 25 to 50 families each, exceeding the plan by 9 units. Of these, 3 units are in Phon Hong District, 2 units are in Keo-Udom, 6 units are in Thoulakhom, 8 units are in Feung District, and 5 units are in Sanakham, and there are 138 labor exchange units. [Excerpts] [Vientiane VIENTIANE MAI in Lao 6 Apr 85 pp 1, 4] 9884

**FOREIGN CURRENCY-EARNING PROJECT**--Based on the decision of the party committee and the administrative committee of Vientiane Capital on the expansion of construction and decoration in order to serve various international organizations in Vientiane Capital and to facilitate the [activities] of international organizations and the general public, since early April 1985 the Vientiane construction and decoration enterprise under the Vientiane Capital communications, post, transportation, and construction section has expanded construction and decoration as the first division in Vientiane Capital to serve the masses by earning [foreign] currency income. This division consists primarily of 18 cadres and government employees and is extensively involved in construction, repairs, and decoration work on houses and various places. It also distributes goods in foreign currency with no limit. Up to now this construction division has signed a contract for a number of decoration projects for homes and organizations and the masses. The division's office is in Phonsai Ward on That Luang Street opposite the Ministry of Finance. It [is open] on the official schedule. [Text] [Vientiane VIENTIANE MAI in Lao 5 Apr 85 pp 1, 4] 9884

**LPRP MEMBERSHIP, AGRICULTURE PRODUCTIVITY**--Luang Prabang is a land of natural beauty whose people have a heritage of diligence and bravery. Throughout the district municipality there were beautiful banners praising the first congress of the provincial party committee and others. Today under the new sky of 7 April 1985 what the Luang Prabang District people have been longing for has come. At the meeting hall there were 164 regular representatives from party and government organizations, production bases, and different units throughout the province who represented over 2,000 party members. In past years they were able to build an irrigation system that was able to supply water to 5,340 hectares of wet-rice growing area and 1,100 hectares of dry-season rice growing area. When compared with 1980, the ricefields that received the irrigation water increased by 1,920 hectares or 66.5 percent of the total ricefields. After using new techniques and careful irrigation the wet-rice production capacity increased from 1.83 tons per hectare to 2.75 tons per hectare. [Excerpts] [Vientiane PASASON in Lao 11 Apr 85 p 2] 9884

**CHAMPASSAK AGRICULTURE PRODUCTION**--In 1984 agriculture in Champassak focused primarily on the acceleration of rice growing. The planting was successfully done on 6,358 hectares, which was 97 percent of the plan. The average harvest capacity was 2.7 tons per hectare or 514 kg per capita per year. [Excerpt] [Vientiane PASASON in Lao 6 Apr 85 pp 1, 3] 9884

**OUDOMSAI MILITARY RECRUITMENT, SECURITY**--Among the greatest achievements of the Lao youth union of ethnic groups in the 1-year period of preparation for their historic day, we can say that the youth union in Oudomsai Province is one of the youth unions nationwide which was able to strive for the goal set by the party, the government, and the LPRYU Central Committee, and which succeeded. In national defense and security, with great hatred towards the provocations of the enemies against the new and peaceful life of the people, the Oudomsai Provincial Youth Union voluntarily stepped in the front line in order to protect the interests of the revolution. The outstanding ones were the youth union in Na Mo and Paktha Districts which were able to completely wipe out looters and henchmen of the enemies from their own localities. There were 635 youth union members who voluntarily carried out this honored obligation, and 47 comrades voluntarily served in the three-village area in Paklai District, Sayaboury Province. Those who were in the rear voluntarily sacrificed 27,000 kip worth of their own property and sent it to the front line in two sets of gifts. [Excerpts] [Vientiane PASASON in Lao 6 Apr 85 p 2] 9884

PAPUA NEW GUINEA

SOMARE QUOTED ON AMERICAN SHIP VISITS

Port Moresby PAPUA NEW GUINEA POST COURIER in English 29 Apr 85 p 2

[Text]

Australian Foreign Affairs officials will ask the Government today to clarify a statement by the Prime Minister, Mr Somare, that PNG may allow American warships to use its ports as an alternative to New Zealand.

A Foreign Affairs Department spokesman in Canberra said yesterday the matter would be discussed "at a working level" between officials from Australia's High Commission and the Foreign Ministry.

In London last week, Mr Somare said any requests for use of port facilities would be treated on merit, which was Papua New Guinea's long-standing policy on the issue.

Asked what his attitude would be if Papua New Guinea was asked to provide alternative facilities in light of the New Zealand Government's ban on such visits, Mr Somare said he would have to consult his Cabinet, but that he would not rule it out.

His comments came after a lunch with British Prime Minister Margaret Thatcher, who had raised the issue of the Anzus row over New Zealand Prime Minister David Lange's continuing stand in banning nuclear-armed and powered warships.

Mr Somare said if Papua New Guinea was asked to host more ship visits, it would not ask whether those vessels were nuclear armed or powered.

On the question of Mr Lange's policy, Mr Somare said he was "neutral" because Mr Lange "determines what goes on in New Zealand and he is the best judge of that."

"We allow ships to enter our ports on merit," Mr Somare said.

"We want to see a strong alliance in the Pacific."

The department spokesman said Foreign Affairs officials would attempt to determine whether Mr Somare had made a planned statement or whether he was "ad libbing."

"We do not know if he was ad libbing or if it was a prepared, deliberate remark," he said.

PAPUA NEW GUINEA

UNREST IN DEFENSE FORCES INVESTIGATED

Port Moresby PAPUA NEW GUINEA POST COURIER in English 22 Apr 85 p 3

[Article by Wally Hiambohn]

[Text] Police and the National Intelligence Organisation are believed to be investigating unrest in the Defence Force.

Staff morale in the force is reported to be at its lowest ever, and a major rift has occurred between the members since the departure of Colonel Tony Hum.

It is understood the rift, from the senior officers down to the ordinary soldier, occurred because some had wanted Col Hum to be commander.

A senior government official said the situation was "fast becoming critical and explosive".

The Police Commissioner, Mr David Tanson, is understood to have "for his own information" ordered a private investigation by police.

He would not confirm or deny the investigations at the weekend, but said he was opposed to Government ideas of merging the police and defence forces.

Such a merger would only establish a powerful body which could do anything it wanted, he said.

Leaving them separate created a balance of power.

Investigations are also

believed to have begun into the activities of Mr Hum, now executive officer to the People's Progress Party leader, Sir Julius Chan.

Police and the NIO believe Mr Hum may be using his supporters in the force to stir up an unrest among the members.

Mr Hum said at the weekend he was not aware of the investigation but added it was possible because he left the force "on a sour note".

"I wouldn't be surprised if the NIO have opened a file on me because I left on a sour note," he said.

"It's their prerogative to do that, but for what reason I do not know because I was only a simple soldier."

"I want to have a good personal record before I go into the 1987 elections."

He denied claims that he was creating instability in the force.

"It would be most irresponsible for me to do that," he said.

PAPUA NEW GUINEA

NEW BOATS FOR DEFENSE FORCES

Port Moresby PAPUA NEW GUINEA POST COURIER in English 29 Apr 85 p 2

[Article by Wally Hiambohn]

[Text]

**The Defence Force is to get five new and "better equipped" patrol boats — courtesy of the Australian Government.**

**Australia has made the commitment and is expected to build and deliver the boats in 1987, Defence Minister Mr Tago said on Friday.**

It is understood the boats will cost about K30 million.

The commitment is believed to be part of Australia's "Pacific boats project" in which it will supply vessels to Pacific nations, according to their requirements.

Mr Tago said after a meeting with Australian High Commission officials that tenders for the construction of the five boats would be called next month.

They would replace the existing five boats which he described as "old and sinking."

Mr Tago said they would be better equipped than the current Attack class fleet.

The Defence Force was understood to have been interested in the Fremantle class ships of which Australia has 14

for its coastal surveillance.

The boats are said to be bigger, faster and vastly better than the Attack class.

Fremantle class boats are 42 metres long, weigh 210 tonnes and are capable of carrying a crew of 22 — three officers and 19 sailors.

Two of these boats, the HMAS Warrnambool and HMAS Townsville visited PNG in 1981 and Defence officials were reported to be impressed with their design and performance.

PNG had asked for boats armed with a 40mm anti-aircraft and automatic firing guns, an Australian High Commission official said.



## PAPUA NEW GUINEA

## OPPOSITION LEADER PROFILED

Melbourne THE AGE in English 25 Mar 85 p 13

[Article by Damien Murphy in Port Moresby]

[Text] **M**ICHAEL SOMARE and his tidy goatee is the face of Papua New Guinean independence. But today, Palas Wingti and his long cleft beard may be the country's future.

As the man nominated to become PNG's next Prime Minister if a vote of no confidence in Mr Somare gets through the faction-ridden Parliament, Mr Wingti's Hagen-style beard tells the people that the Highlands are making their play for the country's top job.

This latest battle for the Prime Ministership, the seventh since independence with Mr Somare winning 6-1, is being fought on many fronts.

Politically, it is a minefield. There is Mr Wingti's ambition clothed in a reformist zeal, trimmed with the need to act before a Highland rival returns to Parliament; there is former Prime Minister Sir Julius Chan playing Sveinpoll and nominating Mr Wingti and managing to split the majority Pangu Pati; And there is Mr Somare's confident and simple desire to hang on.

Ethnically, and this may be the most important element of all, the coastal people have had their man, Mr Somare, in the job. The islands have had Sir Julius and now the heavily-populated Highlands want their turn.

But in a country where tribe and place matter more than political ideas, non-Highlanders are concerned that a Wingti win will see hundreds of Highlanders appointed to the Government's most evident presence, the defence and police forces.

Mr Wingti dismisses jobs for the boys and claims that, as Prime Minister, he will unify the country. "Over my eight years in politics, I am proud to admit that I am the only Highlander (politician) who has gained the respect of all the political leaders of PNG," he said. There is a pause and he cannot resist adding: "But if I win on Monday, it means that the Highlands' time has come."

Mr Wingti has none of Mr Somare's charisma (he is positively dour in conversation), but he was born to something Mr Somare, the Big Chief, had to earn. Mr Wingti's father is a Jaga clan leader and the son will become the Big Chief by birthright.

Born 35 years ago in the near Hagen village of Moka, Mr Wingti is one of 15 children born to one of his father's five wives.

Although not married, Mr Wingti has had "relationships". Two were apparently serious and two boys were born. Now 8 and 7, they are in the care of their mothers, one a schoolteacher, the other a nursing sister. "I offered to look after my sons, but their mothers wanted to have them . . . you know what mothers are like," he said.

Mr Wingti is one of the new breed of young force-fed educated elite who have gone into high office in the service of PNG. He started school late, at 11, and earned pocket money by caddying for white planters at the Mount Hagen Golf Club.

At 22, as befits the Big Chief's son, he came to the city and started an economics and politics degree at the University of Papua New Guinea in Port Moresby.

He did not finish the course, bailing out to become a parliamentarian. But Mr Wingti became a student radical and managed to get expelled for trying to get more Marxist economics in economic courses.

Mr Wingti is most remembered at the university for his presidency of the PNG China Friendship Society; he took to wearing a jaunty Mao hat replete with red star after returning from one of his trips to China.

Today's vote of no confidence has more than an element of *deja vu*. Sir Julius Chan became Prime Minister in the same circumstances in 1980. Mr Somare settled into Opposition and regained office two years later by pointing to the "mess" the country was in under the Chan Government.

Mr Somare demoted Mr Wingti from the important portfolio of National Planning to Education in another mid-term reshuffle last November. Mr Wingti has been left with no alternative but to mount a challenge.

Mr Wingti resigned as Deputy Prime Minister last Monday and is the only player today who stands to lose if Mr Somare survives the vote. He will be banished to the political wilderness.

Mr Wingti's official version for running is an attempt to reform the Pangu Pati. In fact, Pangu has suffered an embarrassing series of defeats in eight recent provincial Government elections.

"Pangu has got to a stage where a handful of people have become so powerful that there is no feedback from the grass-roots level. Pangu is now Somare. I stood up for what the Pati originally stood for — the redistribution of wealth," he said.

Mr Somare took care of Mr Wingti's hopes to reform Pangu by getting him expelled for disloyalty this week.

Mr Wingti says the expulsion is of no concern. "We'll start a new Pangu Pati based on the original ideas and philosophies," he says.

As is the way with champions and challengers, both Mr Somare and Mr Wingti claim they are confident of winning the vote.

The winner will need to score 54 votes in the 107 member Parliament (two seats are unoccupied at present).

Mr Somare says that, on Government numbers alone, he could muster 58 of the Pangu Pati's 72 votes.

Sir Julius (and his protege, Mr Wingti) is relying on getting 13 votes from his People's Progress Alliance, six from the Melanesian Alliance, another 24 from Mr Wingti's Highlander block in Pangu.

On Friday, Mr Ianbaleky Okuk's opposition National Party, which stands at 10 or more at last count, announced it would go into alliance with Mr Somare's Pangu faction. But no one here is certain how many Nationals will stick.

The problem with trying to estimate who is voting where is that in the labyrinthine world of PNG politics, MPs, to use a local phrase, "change parties more often than they change underpants". The same could be said of allegiances. (Mr Wingti himself unsuccessfully stood as a United Party candidate in the 1977 election.)

Endless rounds of meetings and number counts have been conducted in rooms around the new Parliament House throughout the week and continued in private homes and hotels during the weekend.

Late last night, Mr Somare had "locked up" 56 Pangu supporters to stop them being turned around during the night.

The situation has been clouded by ministers and members issuing press releases one day saying they would vote for Mr Wingti and the next day recanting in favor of Mr Somare.

Apart from his university days-born desire to redistribute wealth, Mr Wingti was non-committal on what he would do if he became Prime Minister.

There were "no comments" on the fate of the border crossers from West Irian, the future of the Ok Tedi mine, overseas aid and what place Sir Julius would occupy in any new Government.

Mr Wingti's reticence on Sir Julius's possible future suggests that the former Prime Minister may not be happy to serve in a subordinate position. "All I am prepared to say is that Sir Julius will play a major role in the new Government," Mr Wingti said when pressed. Sir Julius is now not making himself available to the press.

The one issue that Mr Wingti would broach was the law and order situation.

(The police blotter for the week includes the park rape of a deaf woman, four dead in Highland tribal fights, a policeman on carnal knowledge charges and assorted robberies).

"The law and order question is giving PNG a bad image overseas. I think it is the reason we are having trouble attracting foreign investment and recruiting professionals to come to work here. My new Government will make law and order a top priority," the challenger said.

Mr Wingti also expressed a desire to weed out the corruption he claims has permeated Pangu and said the "new team" would end some of the excesses so notable in PNG political life.

It is an open secret that land allocation in Port Moresby is a rout and some estimates say that all the land in the city will be owned by politicians at the turn of the century.

And while the vote of no confidence has been the main talking point, the other major story in Port Moresby this week has been the resignation of Mr Boyama Sali from the Defence portfolio.

Parliament was told he had recently relieved himself in the aisle of Air Nugini's new Airbus. Mr Sali is not so sure: "I may have said something or thrown something or done something else, but I never remembered anything — I was so pissed," he said.

It was the most candid statement in a week full of moral indignation from the champion and the challenger.



28 May 1985

## PAPUA NEW GUINEA

## CHINA TO BUY MORE COPPER

Port Moresby PAPUA NEW GUINEA POST COURIER in English 25 Apr 85 p 3

[Article by Wally Hiambohn]

[Text]

China will buy more copper from PNG as part of a commitment to strengthen relations between the two countries.

It has also given PNG an K800,000 grant and agreed to assist in timber and agricultural industries and help to start up small-scale projects in the country.

These commitments were made yesterday during official talks with the Chinese Communist Party General Secretary, Mr Hu Yaobang, and officials in Port Moresby.

PNG -- represented at the talks by Acting Prime Minister Fr Momis, senior Government ministers and officials -- has in return shown interest in importing Chinese products such as textiles and food.

Fr Momis described the talks as "wide-ranging, sincere and open."

China, which has bought more than K50 million worth of copper from PNG in the last four years, was interested in extending the buying for a "longer term."

Fr Momis said the Chinese delegation had also given an undertaking to help in a major scheme to provide electricity to rural areas.

The recently-acquired K7 million interest-free loan from China would be converted to fund the scheme.

Under a technical co-operation agreement signed in 1983, the Chinese government would initially assist in starting between 20 to 30 small-scale projects including paddy-rice farming, cane weaving, timber, and general agricultural projects.

The Leader of the Opposition, Mr Wineti, said Papua New Guinea had won the best deal of any South Pacific country from China.

"There is the K7 million interest-free loan that I negotiated when I visited China as Deputy Prime Minister and I understand a further K800,000 was promised yesterday in talks with Fr Momis," he said.

"This compares to the amounts of K200,000 or so given to Fiji and Western Samoa."

"These fellows don't play around. The man who came here is in control of things in China and can make commitments."

CS01 4200/910

PAPUA NEW GUINEA

INCREASE IN NEW CALEDONIA GARRISON DEPLORED

Port Moresby PAPUA NEW GUINEA POST COURIER in English 2 May 85 p 3

[Text]

PNG has deplored French moves to send 3000 marines to New Caledonia and accused Paris of provoking violence on the island.

A protest note will be sent to the French Government, the acting Foreign Affairs and Trade Minister, Mr Bais, said yesterday.

Mr Bais said the Government was "appalled" and failed to understand why France should make such plans.

He said it was an unwise move because the issues of self-determination and independence were not resolved.

The decision can only be seen as France's intention to colonise New Caledonia indefinitely, said Mr Bais.

"In the light of events that followed the territorial assembly elections last year this move is an act of intimidation

against the Kanaks and is an effort to influence self-determination," Mr Bais said.

"France's attempts to find a solution to New Caledonia's situation is now in disarray because it does not seem genuinely prepared to give New Caledonia independence."

"This is demonstrated by France's claim that it has long-term military and strategic interests in this part of the world."

Mr Bais blamed France for the October 1984 coup on the island.

The French government yesterday announced new electoral draft laws for New Caledonia.

CSO: 4200/929

PHILIPPINES

MARCOS SEEKING NEW, YOUNGER KBL CANDIDATES

Baguio Meeting

Quezon City ANG PAHAYAGANG MALAYA in English 2 Apr 85 p 1

[Text]

President Marcos yesterday said the ruling Kilusang Bagong Lipunan (KBL) may decide to field younger and new candidates in Metro Manila for the local polls next year, Malacanang reported.

"Traditional leaders seem to have lost their influence and it may be necessary to organize a new approach, a new thrust and new leaders," Marcos said as quoted by his press staff.

The mechanics of selecting candidates for the local polls is still under study, the president said, adding his main concern at the moment is the country's economic recovery program.

The electorate of Metro Manila is "well informed and some say cynical" but it is also "an intensely emotional electorate," Marcos said.

The President said that the final selection of candidates will always be made "after consultation with other leaders."

During his meeting with the party leaders from Region I at the Mansion House

in Baguio March 23, the President said: "There will be no compromise and free zones will not be allowed." "Candidates will be chosen on the basis of their ability to win and deliver the votes, and the choice of the people will prevail," he added.

"There shall be no favoritism. Just because you are close to the powers does not mean you are going to be chosen. First of all, you should be a loyal KBL and that you are capable of winning," the President stressed.

Cartoon Parody

Quezon City ANG PAHAYAGANG MALAYA in English 3 Apr 85 p 4

[Cartoon]



CSO: 4200/925

PHILIPPINES

TRIBAL EX-REBEL CITED IN WAR ON NPA

Davao City PEOPLE'S DAILY FORUM in English 28 Mar 85 p 6

[Text] A fullblooded B'laan was awarded last week for preventing NPA criminals from gaining a foothold in Kiblawan, Davao del Sur.

The award was conferred to barangay captain Chavez Salutan of barangay Bagong Negros in Kiblawan March 22 for his "valuable and unselfish cooperation and contribution to the peace and order campaign against insurgency and dissidence in Davao del Sur, especially in the municipality of Kiblawan."

RECOM 11 sources said Salutan's past "military" record would have made him a very unlikely recipient of the award for peace and order. The B'laan had joined several MNLF forays in South Cotabato (formerly North Cotabato) and parts of Davao del Sur. Salutan himself said he had joined the secessionist movement for the sake of brother B'laans who had suffered from Christian abuses and landgrabbing practices some time in 1978.

"The moment of truth came in 1979," Salutan recalled, "when I realized that the MNLF could do nothing for the welfare of other cultural minorities. The movement instead preyed on the B'laans and other tribes, sucking their livelihood dry by extortion." That

same year he surrendered to the late provincial governor Nonito D. Llanes Sr. and pledged loyalty to the government. He also vowed to help rid Kiblawan of NPA criminals and other lawless elements.

He has not reneged on that promise in the last five years that he has fought on the side of his fellow B'laans. Together with his home defense volunteers Salutan personally pursues suspected NPA groups attempting to get into Bagong Negros and neighboring Kiblawan barangays. He has also set up a crude but very effective intelligence network charting NPA movement and their criminal activities.

Salutan said "it was this network that led to the killing of five NPAs in a fierce gunbattle with police and home defense volunteers on the evening of April 1, 1984." The network, which actually consists of members of the families of home defense volunteers acting as listening posts on regular shifts, had accurately pinpointed the position of an NPA band led by a certain Pepito Tenares alias Commander Michael at sitio Iamsaging in barangay Bonifacio early evening of the same day.

Salutan immediately dispatched a messenger to the station commander in Kiblawan and gathered all the home defense volunteers in Bagong Negros, Balasiao and Larangan. In minutes the men had formed a ring around a valley where the armed band had pitched camp. A call to surrender was ignored and in the ensuing gunbattle five NPAs were killed, another was seriously wounded and two others were captured. Recovered were five M16 rifles, a Garam M1, ammunition and voluminous subversive documents. (Nine S. Torres)

CSO: 4200/917

PHILIPPINES

SURIGAO ENCOUNTER WITH 200 NPA REBELS REPORTED

Davao City THE MINDANAO DAILY MIRROR in English 30 Mar 85 pp 1, 7

[Text] Two Philippine Army soldiers were killed while 10 others were wounded in an encounter between elements of the Mountain Battalion and some 200 fully armed rebels in Barangay Tigao, Cortez, Surigao del Sur shortly after noon Thursday, March 28.

Regional Unified Command XI chief Brig. Gen. Jaime Echeverria identified the dead soldiers as Cpl. Carlito Bata and Cpl. Pedro Avival.

The wounded troopers were TSG Jeffrey Gray, Cpl. Eduardo Mabunga, Pfc. Apolinario Pasion, Pfc. Virgilio Pablo, Dft. Samuel Camacho, Dft. Alexander Mayunado, T2C Bonifacio Sevilla, and Dft. Elicino Undoc. They were brought to Tandag Provincial Hospital for treatment.

Two civilian, Isidro Arnego and Rando Bonilla, who acted as guides of the troopers led by 1Lt. Bagun were also wounded and immediately evacuated for treatment.

A spot report reaching Echeverria said Lt. Bagun's group was on patrol when they encountered the NPA rebels.

A one and a half-hour gun fight followed with the rebels withdrawing eastward when a reinforcement team composed

of elements from the 413th PC Company and the Mountain Battalion led by 2IA. Clemente Bandigan and 2IA Orakuno De. rampaton arrived at the scene.

Echeverria said bloodstains along the route of escape indicated that several of the NPA rebels were either killed or wounded.

Pursuit operations were immediately launched against the rebels.

PHILIPPINES

ARTICLE DISCUSSES STRENGTHS, GROWTH, LEADERSHIP OF NPA

Tokyo THE DAILY YOMIURI in English 1 May 85 p 5

[Article by Teodoro Benigno: "Communist Army Heading for Manila"]

[Text]

MANILA—Once a rag-tag band fighting for its life, the communist New People's Army (NPA) has developed into a major fighting force which now threatens to lay siege to the capital in three to five years' time.

Already, statements from the communist-led National Democratic Front (NDF), boast of a 30,000-strong guerrilla force with the capability to "begin action in Manila" early next year, and possibly to engulf the capital between 1988 and 1990.

This possibility is not only a major political topic in Manila, but is also worrying the United States—whose two largest overseas bases in the Philippines overlook the whole of Asia—and Japan.

Japan's oil lifeline from the West and the Middle East snakes through Southeast Asia's Malacca, Lombok and Sunda Straits. A communist Philippines could imperil that lifeline and strangle Japan. America's main Asian ally say experts.

Member countries of the pro-West six nation Association of Southeast Asian Nations (ASEAN) are also concerned, observers say, because their security could go into a tailspin if the Philippines, a founder member,

falls to the communists and slides into the Soviet bloc orbit.

Such a situation could eventually develop into a Soviet pincer threatening the whole of Southeast Asia, with Vietnam at one end and the Philippines at the other.

The leadership of the Communist Party of the Philippines (CPP), whose identity has been kept from the public for more than 15 years, assigned former newsmen Antonio Zamel, widely believed to be a politburo member, to handle its first exposure to the press last April 12 in the deep south.

Both Zamel and the NDF leadership then gave the impression that the communist revolutionary tide was irreversible.

In a recent interview with the American Newsweek magazine, Zamel said victory was possible "in the too distant future."

A small NPA band of about 1,000 guerrillas was almost trapped in Isabel Province, northern Luzon, when President Ferdinand Marcos declared martial law in 1972, but escaped to adjoining Cagayan Province and streamed southward towards the capital during the next decade.

What gave them a breathing spell, and enabled them not only to survive but expand, was an outbreak of Muslim insurgency in the south in 1972, where about 15,000 Moro secessionist guerrillas pinned down the cream of the military for about five years.

The NPA fanned out in droplets, avoiding confrontation with the military and Marxist-Leninist propaganda in Asia's only Roman Catholic country, and dealing out village justice Robin-Hood style.

Meanwhile, a worsening economy, authoritarian rule that spawned a "Pandora's box" of social abuses in a country which had had some 40 years of Western-style democracy and widespread military excesses condoned by the Catholic hierarchy, yielded more and more converts to the NPA.

The assassination of opposition leader Benigno Aquino in August 1983 gave the NPA rebellion a further push. At that time, the estimated NPA guerrilla force was 7,000. Today, the NPA claims it has 15,000 regulars and 15,000 part-time fighters.



An astonishing factor is that the NPA has managed to spread out to 59 of the Philippines' 73 provinces without a charismatic leader in the tradition of Russia's Lenin, China's Mao, or Cuba's Fidel Castro.

The rebellion's shadowy top three, whose faces and whereabouts remain a mystery, are reported to be CPP Chairman Rodolfo Salas, Juanito Rivera, vice chairman, and Rafael Baylosis, secretary general—all reputedly ex-college students.

Many observers are convinced that the 20-year-old Marcos regime is beginning to come apart and the race for succession has narrowed to a duel between the NPA and the moderate opposition.

They say that if next year's local elections bring an impressive opposition performance, the U.S. policy of restoring "democratic processes" could succeed, gaining a three-year breathing spell for the launching of reforms which could roll back the communist rebellion.

Observers add, however, that if the elections should prove bloody with widespread fraud, the country would be left with no alternative but a communist takeover.

Some political analysts have offered a third possibility, a military takeover, if electoral irregularities trigger social turmoil.

If such a junta was unable to hold back the NPA, they say, the United States could intervene, if necessary with combat troops.

Whatever happens, it is still far from certain that the NPA is heading for victory, observers say in Manila.

Communist leaders frankly admit they sorely lack leaders at every level trained in all aspects of urban and rural guerrilla warfare.

To claim victory, the NPA will need more manpower, rockets, heavy artillery, and motorized troops, to wage and sustain large-scale offensive warfare, encircle and capture cities. — AFP.

PHILIPPINES

TRIBAL MINORITIES SEEK SEPARATION FROM MUSLIM OFFICE

Davao City PEOPLE'S DAILY FORUM in English 27 Mar 85 p 7

[Text] Tribal community members all over the country have strongly clamored for separation from the Office of Muslim Affairs and Cultural Communities (OMACC) and creating one for them.

This was learned today from NMPC Provincial Communication Officer Ben Galve (known to Surigao Sur highlanders as Tata Bathala) who led a delegation of Surigao del Sur tribal leaders in the recently concluded First National Congress of Cultural Minorities held at the University of Life in Metro Manila last March 19.

Galve said that after the Congress Surigao del Sur tribal leaders went to Malacanang and submitted a position paper to President Marcos which contained among others: setting up of Office for Cultural Minorities in Tandag, Surigao del Sur; requesting the President to grant special privilege in the gathering of rattan and other forest products to the members; creating a settlement exclusively for tribal people; and the granting of scholarship to tribal members without having to pass government entrance examinations.

Galve said the President promised to act immediately on their demands after consulting with OMACC Minister Semeon Datumanong. The President, Galve further said, ordered the immediate cancellation of logging concessions in the areas reserved for the tribal communities in Surigao del Sur to prevent the loss of their livelihood.

President Marcos, Galve added assured the Surigao delegations that livelihood projects will be extended to the tribal minorities in his province so they could alleviate their present economic plight and live a peaceful and decent life.

CSO: 4200/917

PHILIPPINES

PALAWAN LAND RACKET INVOLVES AGRARIAN REFORM OFFICIALS

Quezon City ANG PAHAYAGANG MALAYA in English 1 Apr 85 pp 1, 2

[Article by Benjie Guevarra]

[Text]

More than 100 Palawan residents have reportedly been victimized by a powerful clan in the Ministry of Agrarian Reform, allegedly buying fake land patents on a 25,000-hectare resettlement project.

The existence of this "land racket" group of ransacking officials was exposed yesterday as one of the victims sought the help of *Malaya*, 7 months after ministry officials promised to investigate her complaint.

"The ministry has not lifted a finger since I complained last September that the lot I am occupying at the settlement project's townsite was mysteriously titled to another person," claimed a tearful Elizabeth Ann.

Ann, who since 1978 resides in a typical 200 square meter lot at the Palawan townsite subdivision of the MAR pilot resettlement project in Barras, Palawan, said she decided to see MAR Minister Conrado Estrella, believing that her complaint was placed in the freezer by the powerful clan.

"They have victimized more than 100 residents already, most of whom are so poor and afraid of the group that they just settled somewhere else instead of filing complaints in Manila," Ann lamented.

The townsite covers 200 hectares of the 25,000-hectare government reservation which was proclaimed a resettlement area in June 1980. Floriano Manzano, a 10th affairs division chief of the MAR Bureau of Resettlement, said:

There are reportedly some 3,000 resident-farmers who are allowed to occupy townsite lots as long as they adhere to ministry requirements. Residents who can afford to pay about P10,000 for each lot are awarded certificates of land patents, while those who cannot afford to and violate certain provisions are required to be removed by the ministry with qualified applicants.

Ann said she was forced to go to the MAR central office last September, about three months after a person reportedly close to the project director built a house on her lot on the strength of a land title issued in the latter's favor.

"They could not just eject me from my lot, even if I have not yet paid for it, since I have been religiously paying my dues," Ann said, showing neatly two receipts.

She was assured by Estrella in September, she said that the case will be investigated at once and had, days after, ordered ISSP project manager Florencio Liofan to explain the alleged anomaly.

In a memorandum dated October 16 last year, Liofan claimed that the title in question did not pass the office, pointing to reports that there are people "falsely telling stories of land titles monetary considerations."

Liofan noted that the title, which was issued to a certain Manuel Fernandez, was approved by the minister as recommended by the competent minister Manuel dela Cruz, who, according to MAR sources, was turned by Estrella in 1980.

MAR executive assistant chief Carlos Luml denied having been such a title paid through the minister's office, while other officials hinted it could have been "overlooked" by certain project officials in consultation with some central office bigwigs.

When asked by *Malaya* about the complaint, Estrella expressed surprise that the case has not yet been solved, again 7 months after he received it for investigation.

The visibly tired minister ordered director Oscar Villanueva of the Bureau of Land Acquisition, Distribution and Development to conduct an immediate investigation and file the complaint.

Luml said an "internal proceeding" will be held next week to determine who and for all if such a scandal really exists in the ministry.

PHILIPPINES

COLUMNIST COMPARES EL SALVADOR, RP SITUATIONS

Manila BULLETIN TODAY in English 2 Apr 85 pp 4, 8

[Commentary by Benedicto David: "Turn-Around?"]

[Text]

What we have been hearing about the rebellion in El Salvador (Central America, not Mindanao), the situation now seems to be turning somewhat better for the government of Colonel Duarte, the first Salvadoran president to confer with the rebels in a neutral place under the aegis of Catholic Church authority.

We are indeed quite sorry that the dialogue broke down and that resort to arms had to recur. Apparently, the anti-government forces have been more or less isolated from the outside help they had been getting from the West bloc while the government forces in El Salvador are getting more aid from the United States.

What we are rather pleased about, though, is the sharp reduction in the killer squads of the rebels. If anything has contributed favorably to the turn-around in El Salvador, it is the realization that neither the government nor the rebels have succeeded in turning the means to stop the

rebels and policemen into death squads from further abusing an already much-abused populace.

This might be the secret of fighting insurgency.

For while government forces, particularly those in uniform, are abusing the people, the rebels will always have the sympathy of the population on the very practical theory that the enemy of my enemy is at least a potential friend.

History has shown that abuses by the government lead to intense discontent because the people are being oppressed by those who are supposed to protect them and their lives. They then turn for help to the organized rebels who can offer them some form of protection. Failing to protect the people is failure in government and a government that commits such an error loses political power by default sooner than later.

The Salvadoran situation, however, is still far from stable. It is still volatile because of the gross economic disparity between

the rich and the poor. And in such situations, unless something permanent is done to reduce that disparity, future governments will still be facing the same problem. El Salvador, with a population of over 4 million, has virtually all its land, businesses, public utilities, etc., owned reputedly by about 14 families.

Our country's economic situation is not that different. We have inherited from the colonial system, a rather deep and growing disparity between our wealthy and our squatters. Even before World War II, the Hukbalahaps were already up in arms, to be followed by the Hukos and now by the New People's Army. We are convinced that not all the NPA are communists although they may take the same line. Many, if not most, are merely those who have no one else to turn to in the face of government abuse and an economic system that drains them and incurs a lifetime of want and deprivation. Many of them

have nothing to lose, for past a certain point, even life is no longer worth living.

There are, of course, the true believers, but even they have to thrive on government default. Except for invasions, governments usually lose power only through default: their failure to fulfill the contract with the people, to protect them, to render justice without fear or favor, to provide them with the basic infrastructure and machinery so that they may be able to work freely and win a better life for themselves.

But the first duty is to respect the rights of the individual and to protect them not only from criminal forces, but also from its own members who stray from the straight and narrow.

CSO: 4200/925

PHILIPPINES

PRIVATE AGRIBUSINESS FIRMS IMPORTING OWN FEED

Quezon City ANG PAHAYAGANG MALAYA in English 1 Apr 85 p 3

[Article by Benjie Guevarra]

[Text]

Private agribusiness firms in the country are now directly importing their own feed stock supply.

Local agribusiness firms, reports said, have already imported more than 40,000 tons of yellow corn and soybean meal since the government relaxed rules on imports of feedgrain early this month.

Industry sources said the large importation by private agribusiness firms of feedgrains in a span of only a few weeks is an indication of greater involvement in efforts to assure sufficient feed stock supply in the country.

The feedgrain imports of three of the country's biggest agribusiness companies refuted an earlier government claim that local feed-users will procure their requirements from the NFA despite the "liberalized" policy.

The NFA relaxed feedgrain imports early this month by lifting the five per cent equalization and stabilization fee, to encourage the private sector which had been complaining of exorbitant import duties, to maintain a high feed stock supply.

Despite the perceived lowering of import costs, the NFA was confident that feed-users will still procure their stocks from the food agency. The NFA is luring local users to import on their own by offering to shoulder all import expenses up to the port of destination and selling it at the landed cost or to have the private sector shoulder the import

costs and only charge a one per cent NFA service fee.

The food agency claims that the private sector benefits from both schemes since NFA imports are only charged a five per cent sales tax, or half of the 10 per cent duty imposed on the private sector.

But NFA's own records indicate that the private sector is bent on procuring its own stocks, in spite of the higher import duties and the foreign exchange risks.

San Miguel Corp. had imported 15,000 mt of yellow corn from Thailand and another 15,000 mt of soybean meal from the United States. Universal Robina Corp and the Republic Mills, Inc. also imported 10,000 mt and 3,000 mt of soybean meal, respectively, from the People's Republic of China.

URC and RFM, however, are reportedly in the carpet for negotiating to import 14,000 mt of yellow corn

from the US without seeking the mandated NFA clearance, a report RFM officials had repeatedly denied.

An official of local commodities trading firm told Malaya that the private sector is expected to penetrate the market in order to assure a sufficient supply of its feedgrain requirements.

End-users would rather pay more, than fall prey to the whims of the NFA, remarked a commodities division official of Menzi and Co., a trading firm reportedly eyeing the local feedgrains market.

The livestock industry had been complaining that the NFA has failed to supply the monthly requirements of this sector.

The NFA had been able to supply less than 50 per cent of the 25,000 mt (yellow corn) monthly requirement of the Philippine Association of Hog Raisers, Inc., PARI director Carlito Lam told Malaya.

PHILIPPINES

BANK DISPOSES OF NONPERFORMING ASSETS

Quezon City ANG PAHAYAGANG MALAYA in English 1 Apr 85 p 3

["Business Views" column by Jake Macasaet: "DBP Comes to its Senses"]

[Text]

The Development Bank of the Philippines is finally facing the hard facts of its financial dilemma. It is now trying -- and succeeding -- to dispose its NPAs (non-performing assets) at fairly huge losses, in some cases, to be able to generate cash. Just last week, the bank sold for about \$5.45 million a five-star hotel which it substantially owned or controlled after the bulk of the loans were converted into equity.

Two other five-star hotels were sold to private businessmen also at a loss, but under relatively attractive conditions as far as cash generation is concerned. The DBP's main concern at the moment is to be able to dispose as much of its acquired assets as possible even if the sales have to be made at prices lower than the original loans.

Apart from generating cash, this approach of selling assets at current appraisals or at original loan values enables the DBP to make a more truthful presentation of its financial statements. The DBP has in its books billions of pesos in loan assets, but the truth is that a substantial portion of these loans will never be paid or collected.

Hotels are unusually sticky. The present replacement values of five-star hotels are far higher than their capitalized loans. In other words, a hotel that was built for say, P100 million in 1975 would now require at least P100 million. But at the present time, no investor would even bother to think of acquiring foreclosed hotels from the DBP at capitalized loans (including interest and other charges and penalties), much less at replacement costs. The revenue raising capabilities of the hotels is very limited

because of the tourist slump.

Consequently, the hotels are unable to pay their loans to the DBP, and eventually end up being foreclosed. Dogged by acute fund shortages precisely on account of poor loan collections, the DBP is left with no other choice except to take the losses and sell the hotels and other acquired assets at prices the market is prepared to take. These prices are naturally lower than the amounts that the DBP extended in the form of loans.

The DBP used to have huge cash in the form of deposits from the Bureau of Internal Revenue and the Bureau of Customs. But these amounts are withdrawn almost as fast as they are deposited because the national government itself is even borrowing for its own operations.

The Social Security System is also one of the largest depositors in the DBP. But because it also has business decisions to make, the deposits are also withdrawn in massive amounts and land in the national treasury or the Central Bank in the form of investments in Treasury Bills or CB Certificates of Indebtedness. DBP's borrowing rates are not competitive with T-bills or the so-called Jobo bills.

Given this kind of financial squeeze and the present business slump, the DBP is left with no option except to sell foreclosed mortgages at huge losses. Selling at a loss actually has the effect of minimizing further losses. If the acquired assets were to be kept or operated by the DBP, it would have to spend (cash out) huge amounts in additional operating capital or maintenance costs without the assurance that the foreclosed firms can be turned around.

PHILIPPINES

EDITORIAL ANALYZES END OF MAKATI SHOEMART STRIKE

Quezon City ANG PAHAYAGANG MALAYA in English 3 Apr 85 p 4

[Editorial: "End of Shoemart Strike"]

[Text] Having seen the light, Shoemart, Inc., the largest and fastest growing department store in the country today, has backed down from its former hardline position and reached a compromise agreement with the striking *Sandigan ng Manggagawa ng Shoemart*. The pact was signed before the Makati police station commander, Col. Lewis Samson, thus ending days of a violence-ridden strike which saw the strikers, including many women, truncheoned, water-cannoned and chased down along Ayala Avenue by cops, firemen and security guards.

Some of the women had their heads washed in with truncheon, blood spilling down their hair, but bravely returning to the picketline.

Under the agreement, 14 workers previously laid off which was one of the major causes of the strike are to be reinstated. Picketers are to be paid their wages for seven days. Other demands, such as increased wages and vacation and sick leave privileges, will be taken up during the negotiations for a collective bargaining agreement.

Most important of all, there will be a certification election within three months to decide which union - the striking *SANS* or Shoemart Employees Union - will be recognized. The recognized union will conduct the negotiations for the collective bargaining agreement with the Shoemart

management.

We do not know what finally prompted Shoemart to give in to the demands of the striking labor union. Perhaps, it was the approach of the Lenten season during which man is in a forgiving mood.

Perhaps, both parties realized that unless the dispute was settled, violence would escalate - and it was already increasing in intensity - and nobody would really win.

Or perhaps, the management of the strike-bound corporation became aware that the general public, which in the final analysis determines the success or failure of any retailing business, was being turned off by the violence inflicted upon the strikers by the Makati policemen and firemen, security guards, scabs and the company union members.

Shoemart, by retreating as it did, won a victory of sorts. It has shown a readiness to be progressive and enlightened - not hindered by any feeling of false pride or enmity. It has shown a commendable willingness to admit that the use of force against the tenacious, unarmed strikers was a mistake from the beginning.

And why was the agreement signed before the station police commander, Col. Samson, and not before any official of the Ministry of Labor which is supposed to arbitrate all labor troubles in our country?

This should be explained.



PHILIPPINES

**MINDANAO ALLIANCE PROVINCIAL CHAIRMAN KILLED**

Manila BULLETIN TODAY in English 4 Apr 85 pp 1, 8

[Text]

**TAGUM, Davao del Norte —**  
The provincial chairman of the Makabayang Alyansa, formerly Mindanao Alliance, was shot dead by an unidentified gunman in his apartment on Mabini St., this city, at about 8 p.m.

Tuesday.

Police identified the victim as Romarino Tajo, a practicing lawyer.

Tajo suffered five bullet wounds in various parts of the body, including one in the head. The bullets came from a .45 caliber pistol.

Tajo was watching television when the gunman entered and shot him point blank. Police found five empty shells and two slugs at the crime scene.

The victim was also a professor at the University of Mindanao, Zamboanga branch, a civic and religious leader, and a human rights advocate.

Dominador Carilla, national vice president of the Makabayang Alyansa, condemned Tajo's murder as "senseless and brutal." He appealed for a speedy resolution of the killing. (Pal Vela col)

CSO: 4200/925

PHILIPPINES

BAGUIO COLUMNIST ON LANDGRABBING, FATHER BALWEG

Baguio City THE GOLD ORE in English 30 Mar 85 pp 6, 12

["Turning Point" Column by Benjamin Salvosa: "Where Is Your Country?"]

[Text] Where liberty is, there is my country. This epigram of Benjamin Franklin is one of the reasons there are one million Filipinos in US.

Today college graduates who have ascendants in US are joining their parents to view the unveiling of the refurbished Statue of Liberty on July 4. There are Filipinos from Region I who will be relocated in Staten Island, New York (not far from the Statue of Liberty) to establish a Medical Center there for Filipinos and American internists, surgeons, cardiologists and other US specialists.

There are medical doctors and lawyers with NY descendants who will be passengers in the ferry from New York City to Liberty Island to see the green skin of Miss Liberty, look up to her unsmiling face and observe she has not shifted the torch of liberty to her other hand to welcome Filipino exiles seeking asylum in US. They will practice medicine and law in New York.

They are ardent nationalists when they saw the crippled Statue of Liberty before it was entombed in scaffolding. Today they are world citizens who believe there is only one race--the human race.

One example was a Baguio couple climbed the stairs inside the Statue of Liberty to peer down New York Bay in 1959. Two years ago, their eldest son graduated cum laude in Yale University. He was admitted in the Harvard Graduate School of Business Administration which required him to work for two years before pursuing Harvard theoretical education. He earned \$60,000 in two years and before his graduation in Harvard next year, he is already offered \$50,000 a year by the same Wall Street investment firm where he worked from 1982 to 1984.

As pointed out by Education Minister Jaime Laya, it costs at least \$13,000 a year to support an undergraduate at a reasonably good American institution.

The Baguio couple are spending 2/3 of their combined annual income to support their son in Harvard, their daughter in Yale, etc. They are not returning to Baguio where many students spend more for cigarettes than for books.

It was at the Philippine Military Academy Ferdinand Marcos announced the government has the support of the people. "Out of 73 governors, the opposition has only one. Out of 1,515 mayors, the opposition has elected into office only about 10-21 percent of this number. Out of 41,000 barangays, communist influence is only about 4 percent. All the other claims are exaggerated, false and untrue. In the last Batasan elections, where members of the ruling party were even disqualified from entering the precincts while the opposition supporting NAMFREL was allowed to call the shots, the most that opposition and independent candidates could obtain is 20 percent of the membership of the Batasan."

From beleaguered Malacanang, Imelda Romualdez Marcos was grabbing headlines again, after lying low since the August 1983 assassination of Benigno Aquino, commented NEWSWEEK. "And Marcos himself, however embattled, seemed to be carrying the political day."

The newsmagazine observed that for Marcos, it may well be a question of balancing immediate political necessities against the prospects for a longer-term survival of his regime.

We don't think it was political balancing that made the President issue a proclamation setting aside the 773-hectare grounds of Fort del Pilar, where the PMA stands, as a military reservation.

It was the discovery that Fort del Pilar was not covered by any proclamation reserving it for military use.

And 18 Igorot families, whose forefathers in the early 1900s cleared the once thick forest in the area, wanted to reclaim what they believed to be their ancestral lands there. They were uprooted from the place and resettled inside the Bureau of Plant Industry reservation in Guisad valley by virtue of Proclamation No. 208 dated October 20, 1955. The families that were made to leave the area became squatters in the city, because the proclamation reserving for them six hectares in the BPI reservation was revoked a year after President Ramon Magsaysay issued it.

Today there are about 10,000 squatters all over Baguio, PMA is no longer one of them.

The Mercedes Benz cars of the military elite parked at the PMA where AFP celebrated its 88th anniversary was probably noticed by the TIMES JOURNAL which editorialized:

The grievances that many AFP officers have been silently harboring all these years finally burst into the open.

Hundreds of PMA alumni staged a march during their alma mater's homecoming to express their demand for "unity and reforms, dignity, and honor" in the AFP's officer corps. The marchers, who conducted their mass action in the orderly and gentlemanly fashion typical of PMA graduates, were mostly lieutenants, captains and majors. These are precisely the officers who bear the brunt of

keeping the military machinery functioning. They make up the bulk of the AFP's professional hard core who, as it were, do the dirty work. Perhaps more than any other group within the military, these men have firsthand knowledge of what currently ails the country's armed forces.

Among the complaints raised were the favoritism and high living practised by certain top brass, whom the protesters discreetly chose not to identify. Nevertheless these junior officers are only too aware how these two problems have spawned an even bigger and graver problem -- the sagging morale of the entire AFP. They pointed out that low morale has significantly blunted the armed forces' fighting edge.

The example set by senior officers is particularly crucial in areas where soldiers often find themselves in combat situations against insurgents.

The abusive acts and ostentatious lifestyle of corrupt senior officers tend to confirm the enemy's portrayal of the AFP as an "anti-people, parasitic" organization which behaves more like an army of occupation than an army of the Republic. We would not be surprised if some junior officers are sorely tempted to believe the rebels' propaganda.

Fortunately for us, the country can still depend on a large body of conscientious and dedicated officers who have retained the idealism that the PMA had imbued them with. But for how long?

The level of morale in the AFP--in any organization, for that matter--is in direct proportion to the quality of its leadership. The lack of exemplary leadership, on the other hand, can be likened to rust which almost imperceptibly but surely weakens the entire structure. Unless checked immediately, this loss of faith and confidence will eventually cause the entire establishment to collapse.

As future top commanders of the AFP, those protesting junior officers obviously know only too well that rust never sleeps. Correcting the faults in the AFP's organizational structure must be done now. And any honest-to-goodness rectification movement within the armed forces should give serious consideration to the observations of those professional officers who must have deliberated long and hard before staging a protest action on the hallowed grounds of their own alma mater.

#### Balweg's Country

PNA reported rebel priest Conrado Balweg was holding out in one of the three mountain caves five kilometers north of Sadanga, Mountain Province and very close to Bugnay, a hinterland town northeast of Kalinga-Apayao.

His consolidated camp straddles the mountain barangays of Balweg and Sacilit in Sadanga, Mountain Province.

The "search and destroy" military team cut its way through thick foliage and treacherous terrain five kilometers from Balweg's camp at Mt. Cauned in the Cordillera ranges.

Elements of the Alpha Company of the 1st GHQ battalion cleared their way through a heavily-guarded Balweg camp of 300 regulars of the New People's Army.

Balweg and his band had backtracked to their main camp following a military assault at their training camp in barangay Belwang.

A native of Tayum, Abra, he joined the Communist Party of the Philippines in 1979 after the slaying of another rebel priest, Zacarias Agatep.

Ando Biag's interview with Balweg in a guerilla camp was published in AMPO, a Japanese quarterly magazine. Extracts:

Was there a final incident that pushed you to join the NPA?

In 1978, my superior took the stand in favor of the Cellophil Resources Corporation (CRC), a big logging company. This company was owned by a close relative of President Marcos. Half a million ancestral forest were taken by the government and given to CRC. People from five provinces would lose their livelihood when the people objected, they called them subversive. Hundreds of people were threatened and jailed. Whole villages were forced to abandon their farms and move. Because of my organization and fighting for the people, a government official ordered my liquidation. In June 1979, I took an indefinite leave of absence from the Church and joined the NPA.

Christianity does not recognize violence. The use of violence in the armed struggle is inevitable. How do you reconcile the two?

It is difficult to preach to people about love, freedom and justice while they are being robbed of their land and killed. For the minorities, it is not only a question of coming to the rescue of what is valuable, but is a question of survival, of freedom, of life. Without a revolution, the life of the people is doomed to be eradicated. In the final analysis it comes down to the use of a just violence over an unjust one. When an unjust war is declared, that unjust war should be eliminated by mankind. Marcos has declared an unjust war on the Filipino people. So a revolution which is a just war against an unjust one is the guarantee of your affirmation, of your trust in mankind.

Mankind must defend itself from exploitation and oppression. His dignity as man is being part of any just war and revolution. What we are experiencing now through revolution is real faith in mankind and society.

Are there any books that have influenced you, that periodically you go back to?

There is a book I have read 27 times: the Bible. My favourite occupation while a student in the seminary was to get rid of books, especially those dealing with spiritual treatises.

What will Balweg do when the resolution is over?

When I joined the NPA, I thought I would be dead in six months. After five years I am still alive and I am glad. I will become a teacher after the revolution.

#### No Man's Land

Bagong Alyansang Makabayan (BAYAN) was launched to consolidate the leadership of popular organizations and to adopt a plan of non-violent political action.

BAYAN is a political federation whose decisions will be reached by consensus.

It will push through down to all levels of society the basic principles of popular democracy, national sovereignty, people's welfare, and national unity.

It's strategy will be based on the politics of the people, which will not wait for elections, to air grievances.

Non-violent actions will consist of massive rallies, demonstrations, marches, general strikes and other forms of protest.

#### Who Owns RP?

Ask City Hall, the Provincial Capitol, the Batasan, and any newspaper cartoonist or magazine caricaturist we play up on this page every weekend.

CSO: 4200/917



PHILIPPINES

LENT HIGHLIGHTS CHURCH ROLE IN LIBERATION THEOLOGY

Quezon City ANG PAHAYAGANG MALAYA in English 3 Apr 85 pp 1, 2

[Article by Ed Marannan, Philippine News and Features: "Modern Juan's Calvary--Coping With Abuses, Misery and Suffering"]

[Text]

It is a time of Lent, when the Church calls for a period of reflection and prayer. The Church is not just a place of worship, but a community that seeks to transform the world.

In a world of suffering and injustice, the Church has a role to play. It is not just a place of comfort, but a place of challenge and hope.

After Christmas, Lent is a time when the Church calls for a period of reflection and prayer. The Church is not just a place of worship, but a community that seeks to transform the world.

The time of Lent is a time when the Church calls for a period of reflection and prayer. The Church is not just a place of worship, but a community that seeks to transform the world. The Church is a place where people can find comfort and hope in the face of suffering and injustice.

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28 May 1985

## PHILIPPINES

## BRIEFS

CONSTRUCTION CAMP FIREARMS--The military yesterday said the raiders of a construction camp in Mindanao were able to get only four guns Friday night and not 130 firearms as earlier reported (not in MALAYA). Acting chief of staff Lt Gen Fidel Ramos made the denial in his report to President Marcos, saying the raiders, suspected New People's Army guerrillas, got two .22 caliber rifles and two .38 caliber revolvers. First Infantry Brigade commander Col Reynaldo Dilan, who reported to Ramos, said about 50 heavily armed men raided the Gonsanji Construction Corp. in Barangay Prosperidad, Arusan del Sur which is located some 600 meters from the brigade headquarters. [Text] [Quezon City ANG PAHAYAGANG MALAYA in English 1 Apr 85 pp 1, 2]

CHURCH DISOWNS WEAPONS SEIZURE--The religious are up in arms against a news item written by BULLETIN TODAY correspondent Prime Esleyer who suggested that the arms taken by NPA suspects in a raid at the Visayan Maritime Academy in Barangay Sum-ag are in the hands of priests and nuns. Observers said Esleyer's suggestion did not even carry the imprimatur of top military officials in the province. Esleyer is known for his virulent attacks against the religious as well as for his close association with the Northern Negros political bloc. No wonder Msgr Antonio Y. Fortich has initiated excommunication proceedings against him several years ago. [Excerpt] [Edgar C. Cadagat] [Quezon City ANG PAHAYAGANG MALAYA in English 1 Apr 85 p 6]

CSO: 4200/925



THAILAND

REACTION TO ASEAN POSITION ON CAMBODIA WAR

Cartoon Sees Thailand Suffering For ASEAN

Bangkok DAO SIAM in Thai 3 Mar 85 p 6

[Cartoon]



[Text] Key: 1. Whose land?

2. Thailand, the land of peace and quiet.

3. But this peace and well-being will disappear immediately

4. if we use violence to block Vietnamese expansionism

5. as ASEAN wants.

6. That is the same as inviting the enemy into the house.
7. Each side will have modern weapons and equipment.
8. The United States and the Soviet Union are competing in building terrible weapons
9. to destroy each other--using Thailand as the battlefield and graveyard.

#### ASEAN Impact on Fighting Noted

Bangkok THAI RAT in Thai 18 Feb 85 p 5

[Hit the Face column by Pleo Singoen: "The Cambodian Truth"]

[Text] After ASEAN announced its new policy on Cambodia and stated that it was shifting from using diplomacy to providing political and military support--that is, it will no longer use words but rather weapons--what happened was that Vietnamese forces smashed Phnom Malai, a major base of the Khmer coalition forces.

But that is not all. Thais living along the border in Aranyaprathet and Wattana Nakhon districts have all been affected by this new policy. That is, Vietnamese troops have fired many artillery rounds into Thailand. Thus, many Thais and Cambodians have fled to temples to escape the shelling.

At the same time, Mr Kenneth Damm, the U.S. assistant secretary of state for East Asian affairs, gave an interview in Washington D.C. that was broadcast worldwide by satellite. In opposition to ASEAN's position, he said that the "United States will not provide military support. To help solve the Cambodian problem, we will provide diplomatic support and engage in peaceful activities."

As for ASEAN's announcement that it formed an alliance to solve the Cambodian problem, the U.S. assistant secretary of state said that that "is fine." But he repeated that "we are definitely not involved."

Everyone is happy. Everyone knows who started the wars in Vietnam and Cambodia. Time has proven how sincere they were.

The Cambodian problem is a very complex problem and could easily lead to a disaster, which would affect our country in particular. Our government is in a sad situation. It cannot sit still, and it cannot take action. Everything is the same. A small mistake could lead to disaster.

Other countries, even other countries in ASEAN, are not experiencing trouble. They know that if anything happens to them, it means Thailand has reached the final point. But that will never happen, every country knows. And so they are not troubled. Only Thailand is being bothered by Vietnam. This has slowed our development, which is something that probably pleases several of our neighbors.

Looking at Cambodia, two things can be seen. The Cambodian people are fighting admirably for their independence and freedom and for their country. Their leaders, such as Prince Sihanouk, are fighting for Cambodia, too. But their conduct shows that there is a struggle between "superiors" and "subordinates," who feel differently about things.

Their subordinates are struggling valiantly in the jungle--with bullets to lull them to sleep, spikes to sleep on, logs to rest their heads on and worms and insects for food. All are emaciated. But their leaders are all living well in the cities.

One group is fighting to gain power in Cambodia while the other is fighting to stay alive and make a stand in its own country. Everyone has his own goals and hopes. But we have to be careful. There are no spoils for us in this war, except to maintain our power and authority in Thailand. My personal view is that if weapons are used to solve the Cambodian problem, the problem will never be solved. The Cambodians have the right to fight for however long they want. But there is no reason why we have to keep "dodging Vietnamese shells" and opening our country to Cambodian refugees.

Cartoon Lampoons Sithi, Dhanabalan Editors

BANGKOK THAI RAT in Thai 16 Feb 85 p. 3

[Cartoon]



ASEAN Resolution questioned

Bangkok THAI RAT in Thai 13 Feb 85 p 5

[Hit the Face column by Fled Singorn: "ASEAN Fights"]

[Text] This was a sudden advance and attack by ASEAN, with Thailand at the head, to involve itself more deeply in the genocidal war in Cambodia, which was started by Vietnam. The foreign ministers meeting now underway at the Oriental [Hotel] is putting forth new ideas that are both a challenge and an indictment. In other words, the cowards are now all furious with the enemy of peace--Vietnam. They have stopped "hiding behind the church, calling the enemy a few names and then fleeing into their house." From now on, they will fight it out on the battlefield. They will not run away. The "eye for an eye and tooth for a tooth and toe-to-toe" system will be used. There are six to one. The better man will win. It is obvious who is behind this.

When ASEAN was formed, it was announced that this was being done for economic and trade purposes and that political and military matters were not involved. But now, this has all changed. Now, political and military matters are all involved.

The credit for this important crystallization of ASEAN, which is composed of Thailand, Singapore, Malaysia, Indonesia, The Philippines and Brunei, the newest member, must go to Air Chief Marshal Sittih Sawettha, the Thai minister of foreign affairs. He worked tirelessly both here and abroad until results were achieved. At the latest meeting, along with the earth-shattering announcement made in the name of the foreign ministers of these six countries that ASEAN can no longer allow Thailand to bear the burden alone and that these countries must struggle side by side and support each other, an extremely important point in this statement was that ASEAN will give the Khmer coalition military support or help it in its struggle against Vietnam, which has occupied Cambodia. But this will not involve sending troops to participate in the fighting. It refers to sending weapons to the Khmer forces. This ASEAN resolution received the approval of Gen Prem Tinsulanonda, an old soldier who has become the prime minister. He did not voice any objections to this.

Issuing this resolution was the same as "declaring war" on Vietnam. The war in Cambodia will change. Vietnam will confront enemies "gun to gun" instead of confronting them at the conference table like before. From now on, Thailand will be able to give military support to the Khmer coalition without having to be as furtive out of fear of being in the wrong. Thailand has become the prominent target since it declared itself an enemy of Vietnam in this unconventional war. This is different from the other five members of ASEAN, which are located far away from the battlefield. The strategy will be to follow it and "it is better to fight outside rather than inside the country." This is an unprecedented step. It is a complete turnaround. There are both positive and negative aspects to this.

I do not know what there is to guarantee that Vietnam will not use this as an excuse to invade Thailand in force now that Thailand has changed its policy to using force.

Thailand does not belong just to Gen Prem or Air Chief Marshal Sitthi or to any one person in the cabinet. Thus, in playing a "game" in which the country's future is at stake, the people must be informed before the "attack" is sounded.

Columnist: Thais Should Dump CGDK

Bangkok DAILY NEWS in Thai 15 Feb 85 p 2

[Around the World column by Trairat: "Fighting For Whom?"]

[Text] There is no longer any hope of talking to Vietnam, the world troublemaker, even though ASEAN has tried to use every diplomatic means available. The United Nations is sympathetic. The U.N. secretary general, Javier Perez de Cuellar, made a visit. The United States has begun to take a greater interest in Vietnam again. China has threatened to teach Hanoi a second lesson. But a few of Vietnam's leaders still have their sights set on making war in order to gain greater power and rank.

Everyone seems to be satisfied. While ASEAN was extending the hand of peace, Indonesia was showing great sympathy for Vietnam since it doesn't like China. Indonesia was trying to play the role of middleman and heal the rift between ASEAN and Vietnam. But what happened just as ASEAN was holding a foreign ministers meeting in Thailand was that Vietnam launched a major offensive and drove more than 30,000 Cambodians into Thailand. When Mr de Cuellar visited the border, Vietnam showed its power, showing no concern at all. At certain points along the Thai border, Vietnam even sent troops into Thailand.

China does not take action against someone without good cause. But it has reached the end of its patience and threatened to teach Vietnam another lesson if it does not stop invading its neighbors. But after China delivered this threat, Vietnam launched heavy attacks on Khmer Rouge bases, which was a clear challenge.

ASEAN has appealed to countries throughout the world to help the Khmer coalition. Indonesia has given its full support after its great disappointment with Vietnam.

What is tiresome is that the United States is untroubled while others, to whom it has brought so much suffering, are in such great pain. The matter in Cambodia has reached a critical stage. But instead of taking urgent action to build up the Thai military since Thailand is the frontline country in the Cambodian war, it has allowed Thailand to bear the brunt on all fronts. Thailand has had to bear the burden of helping hundreds of thousands of refugees. Instead of being given two or three squadrons

of F-16 aircraft, we have had to beg to purchase the aircraft. Thailand has had to spend huge amounts of money on weapons. The United States has given us very little financial help for our military. We have received less than other countries that are far from the fighting. On the other hand, the Soviet Union has given Vietnam much help.

Our only real hope is China. But we should not become too deeply involved because China will use this to pressure ASEAN to move closer to China. It may pretend to let Vietnam cause more trouble and let others run to it for help.

ASEAN is a paper tiger. Malaysia and Singapore, two crafty countries, will do only what benefits them. When they are asked to send money or weapons to help the Khmer coalition, they always refuse. The Philippines has its own problems. It is waging a fierce struggle against the communists in the Philippines. [We] cannot ask them for any help. If Indonesia is asked to help, it will probably complain about all the difficulties. Talking about Brunei is just a waste of time. If China doesn't take action, the United States doesn't get involved and ASEAN refuses to help, Thailand should dump Cambodia.

11943

CSO: 4207/179



28 May 1985

## PEOPLE'S REPUBLIC OF KAMPUCHEA

## REPORT ON AGRICULTURAL DEVELOPMENTS 15-21 April

BK221019 [Editorial Report] Cambodian media carried the following reports on agricultural developments during the reporting period 15-21 April:

**Kandal Province:** Phnom Penh SPK in French at 0421 GMT on 21 April reports that peasants in this province have sowed 4,330 hectares and transplanted 24,800 hectares of rice, half of them in the IR-36 variety. Khsach Kandal District came first in the list for having planted 3,750 hectares, or 150 hectares above plan. Kandal Province also planted 1,260 hectares of corn, 2,400 hectares of vegetables, 370 hectares of potatoes, 4,590 hectares of beans, and 564 hectares of sugarcane. According to SPK French at 1109 GMT on 21 April, Phnom Penh District's peasants fulfilled 86 percent of their plan during the dry season targeted for 9,700 hectares with an average yield of nearly 4 metric tons per hectare for the IR-36 variety. They sold to the state 970 metric tons of surplus paddy. Their herd includes 81,800 buffalo. Phnom Penh radio at 1300 GMT on 20 April notes that by April the peasants of Lvea Em District had harvested more than 250 hectares of dry-season rice. They plan to grow 3,750 hectares, including 1,200 hectares of IR-36 rice during this season. By early April, they had transplanted more than 2,000 hectares of other crops.

**Siem Reap-Oddar Meanchey Province:** Phnom Penh radio at 2300 GMT on 15 April reports that fishermen in the province planned to catch 8,500 metric tons of fish and that by the end of February they had caught more than 1,940 metric tons. SPK in French at 1128 GMT on 15 April reports that by the beginning of April peasants in the province had grown 4,300 hectares of short-term rice. They had also planted more than 200 hectares of corn, more than 950 hectares of potatoes and manioc, and more than 1,750 hectares of beans as well as 1,400 hectares of various other crops. The province has caught 8,500 metric tons of fish since the start of the fishing season.

**Kompong Chhnang Province:** Phnom Penh radio at 1100 GMT on 16 April reports that peasants in this province had transplanted more than 3,600 hectares of dry-season rice, or 61 percent of plan, by early April. They have also planted more than 3,400 hectares of subsidiary food crops and more than 380 hectares of industrial crops. Phnom Penh radio in its 16 April 1300 GMT cast notes that fishermen of this province caught more than 3,000 metric tons of fish during the first quarter of the year. According to Phnom Penh radio's 19 April 0430 GMT cast, people in this province raised 74,446 oxen and buffalo, 31,073 hogs, and 208,831 fowls. Phnom Penh SPK in French at 0305 GMT on 17 April reports that by the end of March, Kampong Tralach District had grown more than

2,000 hectares of dry-season rice, or 83 percent of the plan, and that the Roles Pier District inhabitants sold 240 metric tons of paddy to the state. SPK English at 1103 GMT on 21 April reports that in the first 3 months of this year, peasants in Kompong Chhnang Province sold the state more than 1,090 metric tons of surplus rice. In return, the provincial trade service provided them with 33,600 liters of kerosene and other consumer goods. By the end of March, the provincial veterinary service had vaccinated 569 buffalo as the province kept 30,260 head of cattle, 19,840 pigs, and hundreds of thousands of domestic fowls.

Preaek Veng Province: Phnom Penh radio at 1300 GMT on 16 April says that peasants of Sither Kandal District have planted more than 1,700 hectares of rice along with 630 hectares of food and industrial crops. SPK in English at 1103 GMT on 21 April notes that skilled workers and tractors have been sent to this province to help the peasantry in preparing 15,700 hectares of land for the coming monsoon season cropping. More than 4,500 hectares of land have been plowed at the districts of Kompong Trabek, Kanhehrieah, and Kamchay Mae. Last year, some 10,800 hectares were mechanically turned up in the province. Phnom Penh Domestic Service in Cambodian at 1300 GMT on 21 April reports that peasants of Preah Sdach District transplanted more than 1,600 hectares of rice during the first quarter of the year.

Takeo Province: Phnom Penh radio at 0430 GMT on 18 April notes that Prey Kabbas District plans to grow 2,000 hectares of broadcast rice this dry season. By early April, they had tilled 900 hectares of land, the radio says.

CSO: 1212/61



PEOPLE'S REPUBLIC OF KAMPUCHEA

GUIDELINE ON SRV 'VICTORY' DAY, MAY DAY

BK261056 Phnom Penh Domestic Service in Cambodian 2300 GMT 25 Apr 85

["Guideline" of the KPRP Central Committee Propaganda and Education Commission "on the celebration of the 10th anniversary of the Vietnamese people's victory over the U.S. imperialists and the total liberation of south Vietnam on 30 April and International Labor Day on 1 May"--date not given]

[Text] Implementing party Central Committee Secretariat Decision No 01, dated 8 January 1985, dealing with the celebration of major anniversaries in 1985, and implementing party Central Committee Secretariat Circular No 154, dated 24 April 1985, dealing with the celebration of International Labor Day, 1 May, in order to organize solemnly these two anniversaries, the Central Propaganda and Education Commission would like to issue a number of instructions as follows:

I. Propaganda Objectives:

The Cambodian people's 17 April victory over the U.S. imperialists and their lackeys is linked closely with the Vietnamese people's 30 April victory over the U.S. imperialists and with the victory of the Cambodian, Vietnamese, and Lao peoples in their common cause of struggle against the U.S. imperialists. This victory over the U.S. imperialists is of both historic and contemporary significance. The victories of these three peoples constitute the victories of each country's undaunted forces, of the strength of the three countries' militant solidarity, and of the support and encouragement from the international forces of solidarity, primarily the progressive socialist countries, and the working people in the world. They are the victories that bind the strength of the combat tradition of the people in each country with that of the current era.

The maneuvers and schemes pursued by the Beijing hegemonist-expansionists in collusion with the U.S. imperialists and international reactionaries in an attempt to sabotage the Cambodian revolution and the revolutions in the three Indochinese countries have caused tension in Southeast Asia and posed a threat to world peace. The immediate tasks of all our people are for the cause of the Cambodian revolution, for the cause of the strategic militant solidarity of the three peoples of Cambodia, Vietnam, and Laos, and for the cause of safeguarding world peace. The worker-peasant class, armed forces, and male and female youths are requested to carry out their tasks more effectively.

## 11. Organizational Measures:

1. The permanent committee for organizing national and international celebrations in cooperation with Phnom Penh authorities must organize a solemn meeting on 31 April 1985. The PRK-SRV Friendship Association must organize a get-together by inviting the military attache of the SRV Embassy and representatives of all central ministries and offices to attend. The Ministries of National Defense and Interior must organize get-togethers among the armed forces.

2. The Ministry of Information and Culture in cooperation with Phnom Penh authorities and the Foreign Ministry in relation with the SRV Embassy in Phnom Penh must organize a photo exhibition and film week in Phnom Penh.

3. All provinces and cities throughout the country must organize a joint meeting for the two anniversaries.

4. All ministries and offices, armed forces units, factories, enterprises, schools, hospitals, and localities must organize a get-together at which a Cambodian and a Vietnamese representative should be invited to speak in accordance with the spirit of party Central Committee Secretariat Circular No 134, dated 24 April 1985, dealing with the celebration of International Labor Day.

All levels and all sectors must organize life-style meetings to disseminate information about the good deeds of our armed forces, the Vietnamese Army volunteers, and the local people and welcome the resounding victories won in the 1984-85 dry season and the victories won over the U.S. imperialists in the past.

During the get-togethers marking the 10th anniversary of the Vietnamese people's 30 April victory over the U.S. imperialists and the total liberation of South Vietnam, all localities must invite the Vietnamese experts in their fields to speak on this event.

5. Phnom Penh capital must organize a labor day before 30 April 1985 in order to welcome these two anniversaries.

6. Radio, television, the press, and SPK must arrange their programs based on the propaganda objectives mentioned above for dissemination from 29 April to 7 May 1985.

The Central Propaganda and Education Commission hopes that all ministries and offices at the central level and those in all provinces, cities, and localities will jointly carry out this celebration with success in accordance with this guideline and will send their respective reports to the Central Propaganda and Education Commission before 7 May 1985 so that it may sum up the results and submit them to the party Central Committee Secretariat.

Minerals: In addition to the slogans mentioned in the party Central Committee Secretariat Circular on the celebration of International Labor Day and the

Central Propaganda and Education Commission's guideline on the 10th anniversary of our 17 April victory over the U.S. imperialists and their lackeys, please add the following: Welcome the 10th anniversary of the Vietnamese people's victory over the U.S. imperialists and the total liberation of South Vietnam, 30 April 1975-30 April 1985!

[Signed] Men Sam-an, for the Central Propaganda and Education Commission

CSO: 4212/67

28 May 1985

## PEOPLE'S REPUBLIC OF KAMPUCHEA

## CIRCULAR ON MAY DAY FOUNDING ANNIVERSARY

BK260553 Phnom Penh Domestic Service in Cambodian 1300 GMT 25 Apr 85

[24 April Say Phuthang--signed KPRP Central Committee Secretariat circular on the 99th founding anniversary of the 1 May International Labor Day]

[Text] Together with the working class and people throughout the world, this year our Cambodian working class and people will mark the 99th founding anniversary of the International Labor Day, 1 May, at a time when our nation and people have been skillfully launching offensives against the enemies along the border, thus capturing and fully controlling various enemy hideouts, and are gaining the state of mastery in defending our territory along the Cambodian-Thai border and [words indistinct]. The campaign to persuade misled persons to return to our revolution is becoming a mass movement for political offensives against the enemies. The national defense labor movement is being carried out seethingly and enthusiastically throughout the country. The labor, production, and thrift movement is scoring achievements in the fields of agricultural production, industry, culture, and social affairs. The people's livelihood is becoming gradually stable, and the strategic and militant alliance among the three Indochinese peoples has gained a new, firm state.

On the occasion of this year's International Labor Day, 1 May, the party Central Committee Secretariat plans to organize a broad propaganda campaign among the working class and people throughout the country in accordance with the following requirements and significant points:

1. On the occasion of this year's May Day celebration, it is imperative to stimulate the revolutionary tasks further to seize even greater victories by:

1. Carrying out well propaganda and education work among the working class and people to enable them to gain full information about our country's victories, particularly the military victories in the last dry season.

2. At the same time, making every effort to enable our working class and people to know well the struggle between us and the enemies, which is still arduous and complicated. The enemies are still strong. They still do not accept their defeats but are trying their best to oppose us. For this reason, we must heighten vigilance, enhance our unity and the will to fight vigorously to inflict more defeats on the enemies, oppose all psychological warfare activities of the enemies, consolidate our sense of revolutionary awareness, and counter all perfidious maneuvers and schemes of the enemies.

3. Making every effort to encourage our working class and people to develop our victories further and strengthen their confidence in the party leadership and new regime. This confidence has been clearly displayed in the active participation in and successful implementation of all tasks assigned by the party and state.

4. Enhancing unity among the working people, consolidating internationalist solidarity--particularly the Cambodia-Vietnam-Laos solidarity--and persistently upholding the spirit of genuine patriotism simultaneously with a noble spirit of proletarian internationalist solidarity.

5. Striving to overcome all obstacles, vigorously stimulating the mass movement, and organizing well the moral and material life for each worker.

II. To organize the celebration of International Labor Day, 1 May, it is imperative to carry out the following measures:

1. All sectors and all levels must effectively organize the propaganda, education, and mass persuasion work and campaigns for broad revolutionary activities among the working class and people to create good feats to welcome this anniversary.

2. Jointly organize meetings at various levels:

a) In the central part, the Council of Ministers, the KUFNCD National Council, Phnom Penh capital authorities, and the Kampuchean Federation of Trade Unions are assigned the duty of organizing a meeting of representatives in Phnom Penh.

b) In the provinces and municipalities, the provincial and municipal people's revolutionary committees, together with the provincial and municipal front committees and trade unions, are responsible for organizing meetings in their regions.

[BK260555] c) In localities, the local authorities and trade unions are to cooperate in organizing mass meetings in their localities. These meetings must be aimed at simulating the mass emulation movement with regard to labor, production, education, and national defense.

3. The information, sports, and athletic services must organize mass cultural activities, filmshows, sports competitions, and artistic performances in localities with an aim of implanting a spirit of readiness to fight for national defense and willingness to carry out labor, production, and all tasks assigned. The press, radio, and television services must, on the basis of all these requirements and significant points, organize all forms of propaganda and encourage campaign among the working class and people during this anniversary. Most importantly, they must spare some space and times for propagating the feats scored in the past by our armed forces and people.

4. The Central Propaganda and Education Commission, the Kampuchean Federation of Trade Unions, and all related sectors and mass organizations must cooperate with one another in making plans for the successful implementation of this circular.

5. Slogans: Long live the spirit of the 1 May International Labor Day!

Long live the internationalist solidarity of all workers in the world in their struggle for peace and the right to live; against imperialism and nuclear war; and for disarmament, independence, democracy, and socialism!

Long live the militant solidarity, cooperation, [words indistinct].

Let us stimulate the revolutionary movement among the working people so as to create most outstanding feats for welcoming May Day!

Long live the glorious PRK!

Long live the glorious KPRP!

[Signed] Say Phuthang, for the party Central Committee Secretariat

CSO: 4212/67

PEOPLE'S REPUBLIC OF KAMPUCHEA

RECENT ACTIONS AGAINST 'BANDITS' REPORTED

BK241245 Phnom Penh Domestic Service in Cambodian 1200 GMT 23 Apr 85

[Text] Despite Thai support and assistance, the Pol Pot bandits can in no way recapture the positions presently controlled by our Revolutionary Armed Forces. In fact, a number of surviving Pol Pot remnants with the military and material support of the Thai and under Thai artillery fire cover recently attempted to attack and recapture a position they had lost in the area southwest of Yeang Dangcum. But because our cadres and combatants, who were in firm control of the position, were constantly combat ready and vigilant, these recalcitrants were smashed by the joint forces of our Revolutionary Armed Forces and a contingent of the Vietnam Army volunteers. We killed 50 bandits on the spot, seized 19 assorted weapons, and destroyed one 12.7-mm machinegun.

Likewise, in early April a group of remnant reactionary forces which survived our campaign insolently tried to recapture a camp northwest of Anlung Veng which once housed the position of the Moulinaka bandits. The Thai also interfered by firing assorted artillery barrages in an attempt to boost the morale of the enemy remnants. However, as our Revolutionary Armed Forces and the Vietnam Army volunteers were resolute in that we never retreat but were determined to protect our position, we killed a number of enemy soldiers and seized all their weaponry and war materiel.

In order to develop the spirit of the dry season victories, a company of Sandan District, Kompong Thom Province, in close cooperation with the local militia carried out many successful sweep operations against enemy remnants. In fact, early this month, thanks to the close cooperation with Vietnam Army volunteers, the joint forces launched a victorious operation against a lair of the Pol Pot bandits. This enemy hideout was completely captured. Determined to be ready under all circumstances and to win victories over the enemy of all stripes, a contingent of the Sandan District Armed Forces in close cooperation with the local militia laid ambushes at every nook and cranny and encircled an enemy hideout in the Khpong Tbeng area. Our comrades-in-arms killed 13 enemy soldiers on the spot and seized all enemy weapons and war materiel.

CSO: 4212/67



PEOPLE'S REPUBLIC OF KAMPUCHEA

REPORT ON ARMED FORCES PARTY DEVELOPMENT IN PURSAT

BK271209 Phnom Penh Domestic Service in Cambodian 1200 GMT 26 Apr 85

[Unattributed article: "The Armed Forces of Pursat Province and Their New Development in Party Building"]

[Text] The victories won over the Pol Pot bandits during the 1984-85 dry season along the Cambodian-Thai border and the feats in using the combined forces to attack the enemy and to build themselves up in all fields have brought pride and joy to the armed forces of Pursat Province regarding their achievements and particularly have brought new development and success in party building.

At the end of 1983, the dissemination of party policy within the provincial armed forces was sluggish; leadership, organization, and command in all sectors remained unscientific; and the number of party members was paltry. For these reasons, the tasks entrusted by the higher authorities for implementation were not very successful. Throughout 1984, following enthusiastic efforts to temper, improve, and perfect all sectors, the military committee of Pursat Province was able to induct many party members, expand party chapters in subordinate units, and employ many outstanding cadres and combatants within the party ranks. These new factors created fundamental conditions for the strengthening of the political quality of the Pursat Provincial Armed Forces, enabling them to have good leadership, good judgment, and good successes in unit building. How did the armed forces of Pursat Province develop so well in party building? Through conversations and exchanges of views with cadres and combatants in the party ranks from the provincial military committee down to subordinate units as well as with the outstanding brothers who are targeted for party expansion, we come to the conclusion that the new factors leading to great successes of the Pursat Provincial Armed Forces are as follows:

First of all, the provincial military command concentrated on instilling within the ranks of cadres and combatants the resolute will to fight and crush the enemy and on enhancing good thinking and a high sense of political revolutionary awareness. Within this framework, the main objective of the efforts made by the provincial authorities was to build the ranks of cadres in the armed forces by feeding them with party and state policy and showing to all cadres and combatants that it was imperative to carry out the tasks of fighting and crushing the enemy and building highly qualified units and to pay full attention to political and party work.



Drawing experience from healthy developed units led by party members, the party chapters clearly noted that leading cadres at offices, battalions, districts, and companies, if they still were not led by party members, should at least come from core group members, youth alliance members, or progressive people who may become candidates for party membership during the probationary period of task implementation.

On the basis of such thinking, the provincial military section gathered cadres and combatants to study and discuss the party entity--the key way to understand the party and to recruit additional organization, leadership, and command components--enabling outstanding cadres to excel in command and leadership and to advance toward fulfilling all tasks undertaken.

After grasping the significance of the party, all subordinate units had plans to assign leading party members in all sectors to take up leadership in combat to flush out the enemy in the jungles and to proselytize the masses in order to temper themselves in the three revolutionary currents of the local people. While implementing the job, the units were drawing experience in their stand and capability. In this way, for a certain period, the units could evaluate the level each cadre or combatant had reached in his or her efforts to temper and fight, clearly seeing that all cadres and combatants were courageous, brave, uncompromising toward the enemy, and intelligent in persuading the masses to join the combat against the enemy and in winning the enemy elements over to our side, causing the enemy agent networks to collapse, crushing the enemy, fulfilling tasks with excellence in the three revolutionary movements of the local people, winning the love, esteem, and trust of the combatants, masses, and population, and getting themselves the approval of the provincial party committee to be admitted into the party.

Witnessing the success of the construction of districts and groups with party leadership, the party and political sectors of the provincial armed forces clearly realized the good results of party leadership and became inclined to further develop the party role even more broadly. Each work unit and each party group have taken measures to expand the chapters of the youth alliance to promote the development of progressive masses through actual promotional efforts in order to create a source of recruitment for the party.

[BK271217] Through the launching of the emulation movement in leadership by the party chapters and groups, the results of combat and combat readiness; and the drive to instigate the masses to attack the enemy, proselytize the enemy, and build units to become stronger with each passing day, and the battalion and company alliance chapters and core groups of each district were able to pick up several outstanding candidates to be presented to the party for induction into the party ranks.

It can be said that at present the party and political work within the armed forces of Pursat Province seethingly affects everybody from district cadre down to the company and platoon cadre level and foot soldier. Each is making efforts to emulate in fighting and crushing the enemy and in tempering himself to become a crack soldier of the party in sweeping the enemy and in building and developing the unit in all fields.

At present, the party members have developed their vanguard role in tempering themselves by striving to fight hard and build the units well. Many party members have created feats for emulation by cadres, combatants, and people in the street, such as Comrade (Sol Ka) and (Tep Chak), who led our fighters in crushing the enemy and in controlling their position in remote, foul-weathered mountainous and jungle regions. As for Comrade (Sieng Hel) and Comrade (Sang Tha) of Bakan District, they were outstanding in leading fighters to attack the enemy, proselytizing the enemy, and in instigating the masses against the enemy. They are a symbol of many other outstanding party members of the province.

Because the party members have developed their vanguard role, the cadres who used to pay only lip service about vanguard examples without performing such examples themselves are now striving hard to temper themselves into progressive cadres responsible for military leadership and unit building. Not only the individuals, but the collective forces led by the party members are also displaying new exploits in fighting the enemy and building strong localities. In particular, between the end of 1984 and the beginning of the first quarter of 1985, party chapters and party groups led in using the combined forces to build the localities, killing 128 enemy soldiers, including 2 battalion commanders, wounding 73, and capturing 24 others on the battlefield, and seizing 63 assorted weapons and a large quantity of war materiel.

Beside attack activities the cadres and combatants of the armed forces, capitalizing on their military successes, have persuaded 178 enemy elements, including both Sereika and Pol Pot officers and foot soldiers, to surrender to the revolutionary army, bringing with them 139 assorted weapons.

Therefore, at present, the outstanding cadres and combatants have become party targets. Nowadays, despite all this progress, the party members in the chapters are continuing to work hard to further improve their quality by fundamentally implementing the party's vanguard role in leadership, organization, and command in order to mobilize all qualifications to facilitate the attainment of all set objectives.

CSO: 4212/67

INTERNATIONAL RELATIONS, TRADE AND AID

VIETNAMESE ACHIEVEMENTS IN LOATIAN PROVINCE RECOUNTED

Hanoi NHAN DAN in Vietnamese 23 Mar 85 pp 2, 4

[Article by Nguyen Thao: "Fraternal Solidarity Between Vietnam, Laos and Kampuchea: Vinh Phu-Louang Nam Tha Sister Provinces"]

[Text] In 1979, Vinh Phu Province officially established sisterhood with Louang Nam Tha Province in the Lao People's Democratic Republic. Since then people of the two provinces have been given more opportunities to understand each other further, and help each other build Vinh Phu and Louang Nam Tha into rich and beautiful provinces.

The six joint economic and cultural projects in Louang Nam Tha were superb flowers in the garden of friendship. The municipal wired-radio station, the Nam Di dam and the water distribution system in Louang Nam Tha Municipality, the provincial hospital, the Nam Giang water conservancy project, the ethnic minority youth school, and the tool factory had been completed since mid-1983, shortening the time limit set by mutual agreement by 15 months. The 1982-1983 winter-spring planting season was affected by drought, but the Nam Giang dam had supplied enough water to multicropped rice areas. The Nam Di dam system brings water from midmountains down to residential areas in the municipality, and to organs and offices through water pipes. Especially, the 100-bed provincial hospital has enough delivery and operation rooms, and laboratories, with the assistance of physicians from Vinh Phu, whose contribution to saving many people in the province from life-threatening illnesses is appreciated by ethnic minorities in Louang Nam Tha. The municipal Louang Nam Tha hospital is a vivid symbol of the cooperation and mutual assistance between people of the two sister provinces. It is easy to build the frame of a 100-bed provincial hospital. However, it is not easy to equip it adequately. Following discussions and exchanges of ideas between public health sectors of the two provinces, all difficulties were overcome, on the spirit of fraternal collaboration, highlighting a willingness to care and contribute manpower and wealth. As a result, the hospital was completed according to plan. Following completion, Vinh Phu sent excellent physicians to Louang Nam Tha to treat the people while paying attention to training local physicians. Dr Pham Ha Hau, former chief of surgery at Viet Tri Hospital, was called by everyone a man with "golden hands."

The Nam Di dam project and the water distribution system in Louang Nam Tha Municipality were considered good achievements. As a rule, a waterworks should be built to accommodate a water distribution system with more than 11,000 m of pipes. At first, all Vinh Phy cadres and their Louang Nam Tha friends held that view. A second inquiry, however, exposed new problems. If a waterworks was built on low ground, what should be done to bring water up to the hills where the people live? Other problems involved the use of machinery and personnel--let alone the task of shipping equipment from Viet Tri to Louang Nam Tha. Vinh Phy cadres then proposed conveying water to the municipality, taking into account the fact that the Nam Di waterfall is located at mid-mountain, some 36 to 37 m above municipal ground level. That proposal was supported by the Louang Nam Tha friends. Consequently, new plans were drawn up. The Nam Di dam, and not the waterworks, was built. Better still, its output is not smaller than that of the initially projected waterworks, even producing more water and at less cost.

Upon departing for Louang Nam Tha, all Vinh Phy cadres and workers fully understood their responsibilities, and anywhere they went on friendly soil they were greeted with affection--a feeling usually reserved for blood brothers. Louang Nam Tha provincial officials visited all projects, solicitously inquiring about the health of Vinh Phu cadres and workers and encouraging them, paying attention to messhalls, dormitories and living conditions of both Lao and Vietnamese personnel. Officials in the External Relations Committee of Vinh Phu Province told us, "Each building project is, unquestionably, a bridge of friendship between Vinh Phu and Louang Nam Tha." At all projects, leading Louang Nam Tha provincial officials organized socialist labor sessions with the participation of local cadres and people, along with Vinh Phu cadres and workers.

During noon breaks, workers from both provinces would sit together around a solidarity meal. The Louang Nam Tha friends would invite Vinh Phu cadres and workers to eat cold sweet rice and dry meat; in return, our people would bring out more chopsticks for their Lao friends to sample steaming rice. Then they would invite each other to smoke cigarettes and drink hot tea. The Louang Nam Tha friends would recount stories about their customs and traditions, taking pride in nighttime folkloric lamvong dancing. The Vinh Phu cadres and workers would recount tales on Vietnam's origins and legends of the Hung kings, giving the impression that both Vietnamese and Laotians are blood brothers, ready to stand shoulder to shoulder through happiness and ill fate.

The inauguration day of each project was really a festival of friendship. People spoke about results of the cooperation between Vinh Phu and Louang Nam Tha, crystallizing the spirit of creative labor of cadres and workers of both provinces. Then people from Vinh Phu and Louang Nam Tha engaged in a lovely lamvong dancing session, or in a traditional water-throwing festival. Many Louang Nam Tha friends

recalled the achievements of Vietnamese volunteers, who helped Laos in the resistance war against the French in the past. Vinh Phu cadres and workers always remember the image of Mother Pho Sau, who has been accorded the title of Hero by the government of the Lao People's Democratic Republic for her meritorious contribution to the two wars of resistance against France and the United States. As officials in the External Relations Committee of Vinh Phy Province said, "Mother Pho Sau is a symbol of the friendship between Vinh Phu and Louang Nam Tha in particular, and between Vietnam and Laos in general. She is a tie linking people of Louang Nam Tha to those of Vinh Phu." Not many communist labor sessions missed the presence of that gray-haired mother, who once hid and fed Lao cadres and Vietnamese volunteer troops during the two wars of resistance against France and the United States.

The day when Hoang Cuong, chairman of the Vinh Phu provincial External Relations Committee, and Thong Van Xay, member of the standing committee of the Louang Nam Tha provincial party committee, as well as a number of Vinh Phu cadres and workers, made a visit to Mother Pho Sau, was laced with emotions. She was then by the fire preparing a tray of food, that carried some bitter bamboo shoot. She invited everyone to eat, saying, "Today, I give my children this bamboo shoot dish to make you remember the years and months fighting the French. At that time, Vietnamese troops living in my home used to eat bamboo shoot with me." She said in a touching voice, and her eyes were full of tears. So were the eyes of visitors from Vinh Phu.

That day, Mother Pho Sau also offered Vinh Phu cadres and workers several bottles of soft drink--a gift from Mouhak Phumsavan on the occasion of her taking part in a festival of heroes and emulation combatants.

There still are many more lofty and magnificent examples gracing the stay of Vinh Phu cadres and workers in Louang Nam Tha. This does attest to the lofty and magnificent friendship that binds together those who have understood, esteemed and helped each other in the march toward progress.

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CSO: 4209/347



INTERNATIONAL RELATIONS, TRADE AND AID

COOPERATION BETWEEN BINH TRI THIEN, SAVANNAKHET REPORTED

Hanoi NHAN DAN in Vietnamese 6 Apr 85 p 2

[Article by Anh Trang: "Friendship Between Binh Tri Thien and Savannakhet"]

[Text] Leaning on the stately Truong Son cordillera, Binh Tri Thien and Savannakhet have 200 km of common frontier and share the historic Ho Chi Minh trail that runs parallel to the border. Highway 9 crosses the two provinces from Cua Viet Port through Lao Bao Pass till Khan Tha Bu Ly that lives on the shore of the Mekong.

Located on such an important crossroad, the people of Binh Tri Thien and Savannakhet have for a long time lived in unity and friendship as if they were of the same blood and the same party. During the time when, shoulder to shoulder, they dug the same trenches to fight the French colonialists, and later braved the frontlines when struggling against the American imperialists, the party organization, the combatants and the citizens of the two provinces shared dangers, joined forces, shed their blood and won resounding victories, such as Pha Lan, Dong Hen, and Highway 9 Laos south, etc.

It was during the time of the fighting against the Americans that, in execution of resolutions of the secretary of the VCP Central Committee and of the Political Bureau of the Lao People's Revolutionary Party, on 14 December 1966, the former province of Quang Binh (later becoming part of the new Binh Tri Thien Province) and Savannakhet became sister cities to promote cooperation and mutual assistance in order to strengthen the ties between the two peoples.

From 1966 to 1975, although having to go by foot through the forests of the Truong Son cordillera from 14 to 15 days and passing through hot spots such as Cong Troi, Phu La Nhich Pass, Tha Le hidden passage, and Lum Bum intersection under intense American bombing, the party organization and the people of Binh Tri Thien annually transported hundreds of tons of food, commodities, material supplies and medicine for men and animals as aid to Savannakhet. Over 150 economic management, scientific and technical cadres were dispatched to assist the sister city in building Na Nhom district center and some other districts in liberated areas such as Ang Kham and Kham O. Nearly 200 cadres and workers of Binh Tri Thien literally cut up the Truong Son cordillera to build the Na To water conservancy project in the Na Nhom

District. The project irrigated 1,000 hectares of land of the brotherly country. Its completion claimed the lives of five heroic children of Binh Tri Thien. With classes held both in the sister city and in the province, Binh Tri Thien trained 752 cadres and students, including 120 junior agricultural and water conservancy cadres, 90 first level teachers, 54 nurses and 138 technical workers.

Since 1976, Binh Tri Thien and Savannakhet embarked on total economic, cultural, scientific and technological cooperation. Both provinces assist each other in physical and technical construction, in the formation of cadres, in commodity trade, and in security and national defense. The cooperation has been instrumental in the building of socialism and in the victories over the multifaceted subversive war waged by the Peking expansionists in conjunction with the American imperialists and other reactionary forces.

On our friends' request, Binh Tri Thien sent 92 experts and hundreds of cadres and technical workers to assist certain sectors such as agriculture, forestry, water conservancy, health, banking, job training, and information and cultural affairs. Binh Tri Thien provided city survey and planning for the towns of Muong Phin and Se Pon; surveyed and drew a pedologic map of Noong Luong and Na Ke; surveyed tens of thousands of hectares of forests in Bong Lai and Phu Vieng; and surveyed, planned and formulated economic/technical themes for 5 water conservancy projects with an irrigation capability of 4,100 hectares of one- and two-crop wet rice, a sun-drying salt factory, a chalk production enterprise and a sugar factory. Several of those projects were completed and turned over to our friends.

The relationship between Binh Tri Thien and Savannakhet is gradually growing stronger. The two provinces frequently exchange cadres and economic and technical experts to study and share experience in economic management, production leadership, party building, planning and professional banking services. In only 4 years, from 1981 to 1984, 43 groups consisting of 448 cadres and technicians from Binh Tri Thien visited Savannakhet and 55 groups consisting of 492 cadres and technicians from Savannakhet visited Binh Tri Thien. In the past 10 years, Binh Tri Thien trained for Savannakhet 415 technical cadres, workers and military officers and NCO's. These cadres performed well and were commended by the brotherly province.

In the last 2 years, economic cooperation between the two provinces made a new step forward in the form of joint economic ventures that focused on mutual assistance in the high-efficiency exploitation of resources, labor, land, material supplies and capital, such as the Huoi Xa Khuong water conservancy project, construction of ferry boats, and lumbering. The two provinces' external trade sectors signed several economic contracts for commodity exchange on the basis of each province's needs and capabilities and in the spirit of equality and fairness in the framework of socialist international cooperation. Binh Tri Thien supplied the brotherly neighbor with production equipment such as plowshares, hoes, shovels, machetes, bush-hooks, rice seeds, peanut seeds, and consumer goods such as pans, kettles, bowls, ready-to-wear clothes, bedding linen and bicycle tubes. Savannakhet exported bipterocarpus alatus oil, deer antlers, amomum xanthioides, lumber,

scrap aluminum and copper, and tobacco. At present the form of "buying or selling by proxy" used in certain commodities has the merit of supporting production in a timely manner and satisfying the necessities of the peoples of the two provinces: Binh Tri Thien bought industrial chicken breeders, animal feed, bags and musical instruments for Savannakhet and the latter bought office supplies for Binh Tri Thien.

Comrade Cay Xon Phom Vi Han, secretary general of the Central Committee of the Lao People's Revolutionary Party, president of the Council of Ministers, lauded the two provinces in these terms: "Binh Tri Thien and Savannakhet took an outstanding initiative. Binh Tri Thien supplied 18 million dong worth of commodities and a number of bags, allowing Savannakhet to expedite the selling and purchasing of paddy while the farmers badly needed bags to sell their paddy due to a bountiful harvest. If this practice could be repeated by other sister cities, we would be able to buy more paddy."

Developing the traditions of unity and cooperation in the fight against the French and the Americans, the national defense forces of the two provinces nowadays have strengthened their coordination in solving security and defense-related problems, and in searching for the remains of Vietnamese volunteers who made the sacrifice of their lives when fighting the French and the Americans. Friendship between Binh Tri Thien and Savannakhet has been built not only by sweat but also by the very bones and blood of the Vietnamese and Lao children.

In emergency cases, the peoples of the two provinces volunteered their help in a timely manner. Instances of this abound. When the districts of Se Mon, Xon Khon and Cham Phon were lashed by natural calamities, Binh Tri Thien hauled over 200 tons of rice and peanut seeds and medicine for relief in a timely manner. In late October 1983 when Binh Tri Thien was hit by a heavy flood and a violent typhoon and suffered severe losses in human lives, properties, dwellings and crops, Savannakhet quickly sent a group of cadres to comfort the victims, 5,000 bamboos, 20 tons of rice, a large quantity of notebooks and school supplies, contributing a great deal in alleviating the damage.

The outstanding achievements in strengthening friendship between the provinces of Binh Tri Thien and Savannakhet were rewarded. The government of the People's Democratic Republic of Laos awarded the Medal of Liberty, First Class, to the Binh Tri Thien's committee for economic and cultural cooperation with Laos and Kampuchea; 21 Medals of Friendship to various units in the province and nearly 1,000 other medals and citations to cadres and workers of Binh Tri Thien were sent to the brotherly neighbor.

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CSO: 4209/364



INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

PARTY WORK OVERSEAS--Recently, the department of party cadres overseas met in Hanoi to discuss party activities abroad. In attendance were representatives from bureaus and sectors of the central government and also from ministries having large numbers of persons working or studying abroad. Comrade Nguyen Duc Tam, member of the Political Bureau and secretary of the VCP Central Committee, paid a visit and addressed the conference. The secretary stressed the continuous development of international relations of our party and our state, especially our total cooperation with the Soviet Union and other brotherly socialist countries. The number of cadres, party members and citizens keeps growing and therefore, party work overseas must be given appropriate attention, primarily in terms of management of cadres and party members. We must strive to educate them on party policies, to enhance their efficiency, quality and revolutionary morals, and to strengthen unity and friendship with the peoples of the brotherly socialist countries, in order that they successfully accomplish their missions in work, studies or labor cooperation. [Text] [Hanoi NHAN DAN in Vietnamese 6 Apr 85 p 1] 9458

CSO: 4209/364

PARTY ACTIVITIES AND GOVERNMENT

NEW ASSAULT YOUTH ORGANIZATION ESTABLISHED

Hanoi NHAN DAN in Vietnamese 23 Mar 85 p 1

[Article: "Laudable Major Trend for Hanoi Youth: Establishment of General Unit of Assault Youth for Hanoi Economic Building"]

[Text] The standing committees of the Hanoi municipal party committee and people's committee just issued a decision to organize a General Unit of Assault Youth for Hanoi Economic Building. The Municipal Youth Union will set up many assault youth units for economic building--an initiative designed to attract unemployed youths, first of all those who have already completed their military obligations and have been graduated from middle general schools, enrolling them in units that make industrial, handicraft and agricultural products, and provide services, and open worksites to build houses, roads, water conservancy projects, and plant forests, etc. This is an opportunity to mobilize youths to contribute labor directly to building the nation, while creating conditions for them to undergo advanced cultural and vocational training toward becoming management cadres, technical cadres, and leading cadres of various economic sectors.

These assault youth units are under the direct leadership of the General Unit of Assault Youth for Economic Building, and the guidance of the Municipal People's Committee and Municipal Youth Union. Enterprises, worksites and assault youth units for economic building of the General Unit will operate on the basis of financial independence. The municipal party committee, the municipal people's committee, as well as various sectors and echelons will only help these units fulfill their tasks, especially during the initial period.

In 1985, the Municipal Youth Union will organize and develop such enterprises, worksites and assault youth units for economic building as the Coal Exploitation Enterprise in Quang Ninh, the House Building Enterprise, the youth units specializing in making apiary-shaped coal and bricks, and worksites where many youth units employed in earthwork will carry out the immediate tasks of digging ponds and building roads. Moreover, the Municipal Youth Union will organize a number of assault youth units for planting trees in Ba Vi and for taking part in enlarging a new economic zone in Lam Dong.

9213

CSO: 4209/347

## ECONOMIC PLANNING, TRADE AND FINANCE

### ARTICLE LISTS NEWLY-PROMULGATED ECONOMIC POLICIES

Hanoi TAP CHI GIAO DUC LY LUAN in Vietnamese Jan-Feb 85 pp 68-72

[ Article: "Introducing A Number of Newly-Promulgated Economic Policies" ]

[Text] In the 4th quarter of 1984, the chairman of the Council of Ministers and the Council of Ministers issued many resolutions, decrees and directives to materialize the resolution of the 6th Plenum of the CPV Central Committee and to fulfill the goals of the 1985 plan as set forth in the resolution of the 7th Plenum of the CPV Central Committee. These documents include the following:

- About reorganization and rearrangement of production. The documents concentrate on matters having to do with rearranging the production of some sectors and dividing the managerial authorities of the ministries, sectors and localities in favor of a number of production installations to ensure management in accordance with economic and technical sectors and to create favorable conditions for production installations to fully develop their productive capacities.
- + Decision No 343-CT of 8 October 1984 about transferring the management tasks and a number of installations subordinate to the Ministry of Engineering and Metals and State Science and Technology Commission to the Electronics and Information Technology General Department.
- + Decision No 334-CT of 8 October 1984 about transferring the tasks and organization of the Foreign Trade Transportation General Corporation (Vietfrach) subordinate to the Ministry of Foreign Trade to the Ministry of Communications and Transportation. The decision clearly states, "Transfer the task of chartering foreign and domestic boats from the Ministry of Foreign Trade to the Ministry of Communications and Transportation."
- + Decision No 389-CT of 22 November 1984 about transferring the presiding responsibilities and appointing a director for the key state scientific and

technical advancement projects having to do with energy in the years of 1984-1985. The decision clearly states, "Transfer the responsibilities for presiding over the state's new energy-related key scientific and technical advancement project (identification number 10-05) from the Ministry of Power to the Ministry of Higher and Vocational Education."

+ Decision No 372-CT of 5 November 1984 about transferring the Tra Noc frozen produce-processing enterprise, which exports its finished products, to Hau Giang Province.

+ Decision No 380-CT of 12 November 1984 about the sector-managing authority of the Ministry of Supply toward the supply corporations of districts. "The Ministry of Supply is assigned as the sector-managing organ to be in charge of district supply corporations."

+ Decision No 394-CT of 27 November 1984 about transferring two soap factories from the Ministry of Light Industry to the Chemicals General Department. "The Hanoi Soap Factory and the Vietnam Soap Factory (in Ho Chi Minh City) are to be transferred from the Ministry of Light Industry to the Chemicals General Department."

+ Decision No 404-CT of 4 December 1984 about giving the chairman of the State Planning Commission the authority to consider and promulgate the state-level economic and technical norms.

+ Decision No 405-CT of 4 December 1984 about reorganizing the building force of the Ministry of Water Conservancy into 3 unions of building enterprises subordinate to the ministry.

"Union of Water Conservancy Enterprises 1, with headquarters located in Hanoi, is in charge of building water conservancy works in the former Bac Bo region."

"Union of Water Conservancy Enterprises 2, with headquarters now located in Nghe Tinh but with a more appropriate location in the center of the Central Region to be found by the ministry, is in charge of building water conservancy works in the former Trung Bo region."

"Union of Water Conservancy Building Enterprises IV, with headquarters located in Ho Chi Minh City, is in charge of building water conservancy works in the former Nam Bo region." And the pattern for its organization is defined: "Each union of enterprises has at its head a director general, assisted by a deputy director general."

+ Decision No 413-CT of 8 December 1984 about transferring the Viet Tri sugar refinery and the Cam Khe tea processing plant from the Ministry of Food Industry to the Vinh Phu Provincial People's Committee for managerial purposes.

+ Decision No 441-CT of 31 December 1984 about assigning the Ministry of Food Industry the task of cooperating in the production, processing and export of vegetables and fruits to the Soviet Union.

"The Ministry of Food Industry is hereby assigned the task of carrying out the program of cooperation in the production and processing of vegetables and fruits and their export from Vietnam to the Soviet Union."

"The management of the General Corporation for Export-Import of Vegetables and Fruits is transferred from the Ministry of Foreign Trade to the Ministry of Food Industry."

+ Decree No 130-HDBT of 9 October 1984 about dividing the Union of Pottery, Porcelain and Glassware Enterprises into 2 unions of enterprises subordinate to the Ministry of Light Industry.

"Union of Pottery, Porcelain and Glassware Enterprises 1, with headquarters located in Hanoi, consists of pottery, porcelain and glassware enterprises in the northern provinces.

"Union of Pottery, Porcelain and Glassware Enterprises 2, with headquarters located in Ho Chi Minh City, consists of pottery, porcelain and glassware enterprises in the southern provinces."

+ Decree No 150-HDBT of 17 November 1984 about establishing the General Corporation for Export-Import of Grain to be subordinate to the Ministry of Food.

"General Corporation for Export-Import of Grain is an independent economic-accounting unit, has the status of a juridical person, is supplied with capital from the state and loans from the bank, including foreign currencies, and has its own bank account and seal. It can have direct relations and correspond with foreign enterprise organizations. Its headquarters are located in Ho Chi Minh City."

+ Decision No 162-HDBT of 14 December 1984 about organizing integration activities in the economy.

The decision basically determines the extent and principle of economic integration, the factors involved in the integration and a number of rules to ensure a stable economic integration and management by the state.



The document says, "To carry out on a broad basis integration activities in various forms among units; production, business and service sectors; and state-operated, collective and family-based economic components in order to strengthen and improve the quality of division of specialized and cooperative work."

About the principles of integration, it says: "a. On the basis of effectively using the presently available capabilities, to step up development of production, to fulfill and overfulfill the state plan, to make more products for society, to ensure fulfillment of the obligation to deliver products and to pay profits to the state and to improve the standard of living of the working people; b. To seriously implement the state policies and procedures about economic management, such as management of products, market management and management of materials, prices, finances, money, and so on."

About the factors involved in economic integration, the decision says, "To cooperate and divide work in production, to supply raw materials, to apply scientific and technical progress, to exchange labor, machinery and materials when necessary and to transport and sell products. The most basic direction to take now is to combine the material and technical factors in order to develop production, to make more products for society, to increase accumulation for the state and to improve the standard of living."

The document also points out: "In order to ensure stability for the integration activities and to provide the state with favorable conditions for tight management, it is necessary to bring these activities into appropriate forms of organization ranging from low to high." "The economic integration activities must be part of our planning and incorporated in the three-level plan." "For the kinds of products that are produced and dealt in by the economic-integration formula, apply the price regulations in accordance with the price management rules set forth in Decree No 33-HDBT of 27 February 1984."

+ Official Document No 159-HDBT temporarily sets forth the task of improving planning for the national economy. It temporarily suggests the need for improving planning and sets the task of planning for different sectors, localities, production installations and fields.

+ Decree No 178-HDBT of 25 December 1984 about changing a number of interest rates applicable to deposits and loans of the state bank and credit cooperatives.

The decree points out that it is necessary to change the interest rates for deposits and loans of the state bank and credit cooperatives.

It points out the necessity to change the interest rates in order to encourage the people to make savings deposits with the money that is idle. The document also sets specific rates:

**a. Interest rates for socialist savings deposits:**

- No time limit (interest, no turnabout bonus): 24% per annum
- With 3-year time limit: 30% per annum
- With 5-year time limit: 36% per annum
- Fixed amounts of 500 dong, 1,000 dong (1%/month used as turnabout bonus, interest paid once a month, interest rate 1%/month): 24% per annum

**b. Interest rates for loans given to the people:**

- Loans given to individual working people for production development: 24-54 percent per annum
- Loans given to cooperative members, workers and civil servants for development of family-based economy and for resolving difficulties in daily life: 24-48% per annum
- Loans given to other people: 36-60% per annum

**c. Interest rates for deposits and loans of credit cooperatives:**

- Maximum interest rate for deposits: 60% per annum
- Maximum interest rate for loans: 72% per annum.

+ Resolution No 156-HDBT of 30 November 1984 about a number of problems in connection with improving the management of state-operated industries.

The resolution consists of six parts:

I - About rearrangement and reorganization of industrial production. About rearrangement of production, the resolution stresses, "On the basis of the general economic situation and the industrial situation, and on the basis of the party and state economic line, rearrange production in every economic and technical sector throughout the country, which consists of central and local enterprises and production installations in different economic components, and closely combine sectors with regions and localities."

**II - Planning:**

Affirming that the plans of joint enterprises, enterprises, union of enterprises, corporations and general corporations are unified production-technical-financial plans, the resolution indicates the order to be observed in drafting plans, the system of setting regulation norms, protection and

acceptance of plans, review of the drafted plans and efficiency of the plans to be assigned to enterprises.

III - About economic accounting, it mentions these points: The Ministry of Finance regulates the right of enterprises to be financially independent, perfects the economic and technical norms and improves cost accounting.

IV - Economic and financial policies. This part deals with the financial affairs of enterprises consisting of various kinds of capital for them, credit, prices, profits and distribution of profits, labor and wages, encouragement of production of goods for export and encouragement of scientific research.

V - To reorganize the managerial machinery and to strengthen the elementary and advanced training of management cadres, technical cadres and technical workers.

VI - To organize implementation.

(The text of this part was printed in NHAN DAN on 17 December 1984.)

+ Resolution No 166-HDBT of 15 December 1984 about improving capital construction management.

The resolution consists of seven major parts: rearrangement of the force and reorganization of production in capital construction; improvement of the system of assigning and accepting construction work to and by contractors; carrying out of the economic accounting system; improvement of a number of economic and financial policies; improvement of capital construction planning; strengthening of the management machinery in capital construction; and elementary and advanced training of cadres and workers and organization of leadership over implementation.

(The text of the resolution was printed in NHAN DAN on 31 December 1984.)

- About market management, prices.

Decisions Nos 340-CT, 341-CT of 5 October 1984 and 374-CT of 6 November 1984 set the commercial business prices of cotton materials of all kinds, bicycles, aluminum articles, manually-made crystallized sugar, beer in bottles and liquors and kerosene; retail prices of gasoline and oil; and wholesale prices for enterprises of dried semiprocessed rubber latex.

The decisions all specify the prices of those commodities and clearly state, "On the basis of standard prices the State Price Commission sets the specific prices after having consulted with the interested organs."



In order to ensure particularly the purchases and mobilization of grain in 1984 and 1985, Decision No 409-CT of 7 December 1984 about the agreed prices for the 1984-1985 tenth-month and winter-spring paddy in the Nam Bo provinces clearly states:

1. The agreed prices of the 1984 tenth-month and 1984-1985 winter-spring paddy of the agricultural cooperatives, production collectives and individual farmer households in the Nam Bo Provinces are as follows:

- In the Hau River area (consisting of Minh Hai, Hau Giang, Kien Giang, An Giang and Dong Thap Provinces), from 9.5 to 10.5 dong a kilogram.
- In the Tien River area (consisting of Cuu Long, Tien Giang, Ben Tre and Long An Provinces), from 10.5 to 11.5 dong a kilogram.
- In the eastern part of Nam Bo (consisting of Tay Ninh and Song Be Provinces, Ho Chi Minh City, Dong Nai Province and Vung Tau-Con Dao Special Zone), from 11.5 to 12.5 dong a kilogram.

2. On the basis of the above-mentioned price framework, the chairmen of provincial people's committees are to fix the actual purchase prices after having consulted with the State Price Commission and Ministry of Food. "

+ Directive No 369-CT of 5 November 1984 about the mobilization of grain in the 1984 tenth-month season in the North.

+ Directive No 430-CT of 20 December 1984 about different sectors taking part in the transformation of agriculture in the Nam Bo provinces. The directive clearly states that the sectors that take part in the transformation of agriculture in the Nam Bo provinces must concentrate their efforts on stepping up the transforming work in order to ensure a basic completion of the cooperativization of agriculture, with the various forms of production collectives being the main goal, in 1985. It requests the ministries and organs subordinate to the Council of Ministers, on the basis of Directive No 19-CT/TW and Notice No 44-TB/TX of 13 July 1984 and in accordance with their assigned functions and responsibilities, to have their own positive plans and to guide their sectors toward actively taking part in the transformation of agriculture in Nam Bo.

- Decisions about investment.

+ Decision No 383-CT of 15 November 1984 about additional supply of gasoline and oil for the transportation of phosphate fertilizer.

" To supply the Chemicals General Department with 400 additional tons of gasoline and oil for the transportation of phosphate fertilizer to ensure reaching the goal of 400,000 tons of phosphate fertilizer set in the plan. "

+ Decision No 417-CT of 12 December 1984 about temporary supply of materials in 1985.

In order to supply in time materials for use in production in the absence of an actual plan, the decision says, "Agreement is hereby granted for the ministries and general departments to fulfill the task of supplying temporarily-on-a-loan-basis materials and materials in 1985 to various sectors and localities within their ability to do so in order to start the 1985 plan right from the beginning of the year.

- The materials that can be supplied on a temporary-loan basis are gasoline and oil, iron and steel, chemicals, explosives, automobile tires and tubes, coal, lumber and cement.

- About equipment, the State Planning Commission is assigned the task of discussing with the supplying ministries in order to resolve the problem of supplying on a temporary-loan basis the sector that has an urgent need with the necessary equipment."

5598

CSO: 4209/343

AGRICULTURE

REORGANIZATION OF WEATHER FORECASTING URGED

Editorial Comment

Hanoi NHAN DAN in Vietnamese 23 Mar 85 pp 1, 4

[Editorial: "Meteorology and Hydrology Serve Production and the People's Livelihood"]

[Text] Our country lies in the tropical region with wet monsoons. Climatic and water resources are rich and favorable to economic and social development. However, the various forms of these resources are characterized by uneven distribution and susceptibility to movement and change depending on time. In some places and years, fluctuations peak into natural calamities, causing rather serious damage to production and livelihood. These are typhoons that afflict our soil every year, big floods on the Red River, the Mekong River and other waterways in the central region and highlands, biting cold waves, protracted droughts lasting 2, or 3 consecutive months, and hailstorms.

In 1984, natural calamities took place without interruption. Extended frigid temperatures at the beginning of the year heavily damaged rice seeds and spring seedlings; then vast areas in the Mekong River delta were inundated by big floods. In many localities, there were typhoons and even in mid-November a typhoon ripped through Nghia Binh, while torrential rains flooded a number of small rivers, causing dike ruptures and waterlogging in large areas of ripening 10th-month rice areas in northern Thanh Hoa, Ha Nam Ninh, Ha Son Binh and Hanoi, forcing some enterprises and production installations to shut down, submerging warehouses, blocking roads, and cutting off means of communication and liaison.

All activities of the economic, social and national defense sectors are influenced by the environment, especially water and air. To develop economically and socially, we should grasp the laws of nature and society, and rationally use climatic and water resources; at the same time, we should make plans for effectively preventing and controlling natural disasters so as to reduce damage to a minimum.

Meteorologic and hydrologic agencies have made a substantial effort to conduct basic investigations, produce meteorologic and hydrologic forecasts, and supply information to party and state organs from the central to local echelons, to help them lead and guide flood and typhoon prevention and control, and coordinate production with effectiveness. In many instances, accurate and timely forecasting contributed effectively to preventing and controlling natural calamities, making it possible to protect production and people's lives and property. Nevertheless, meteorologic and hydrologic activities are restricted in many respects. The network of observing and measuring stations is not rationally positioned; forecasts are of a general nature, lacking accuracy and competency, and still unable to meet production and livelihood requirements. Collection of local meteorologic information is neither adequate, nor timely. The task of transmitting forecasts to production installations and guiding them to apply meteorologic and hydrologic data to production and natural calamity prevention and control still is weak. And cooperation between meteorology-hydrology and the sectors of posts and telegraph, water conservancy, agriculture, marine products, communications and transportation, national defense, forestry, and aviation, etc., is not yet close.

To serve the sectors of national economy and people's livelihood in a realistic and highly efficient way, meteorologic and hydrologic agencies should revamp their organizational structure and management, strengthen material and technical bases, invest in essential activities, ensure smooth communications in all circumstances, and prevent communication breakdowns in case of major typhoons and floods. Scientific and technical knowledge and the ability to grasp the laws of meteorologic elements should be raised to make long- and short-range forecasts accurate. In case of forecasting inaccuracy, or failure to forecast a disaster in time, one should resort to such measures as posting warnings, mandate police to deliver them, and issue alert orders to help organs take emergency prevention and control steps, with a view to limiting damage.

To serve the agricultural front more properly we should take an inventory of climatic and water resources, conduct ecologic zoning to lay the groundwork for selecting appropriate crop varieties and planting schedules, and to create conditions for agriculture to develop comprehensively and steadily, with the focus on grain and foods. In each cooperative, besides guiding members to use 5-day and 7-day forecasts, agricultural production units should make on-the-spot simple observations and measurements to verify their accuracy, guard against local variations, take prompt remedial measures in the fields, and ensure safe sowing, transplanting, plowing and harrowing. If many installations closely follow meteorologic and weather conditions, and guide and coordinate production at all levels in a synchronized manner, crops will be affected only slightly, thus enabling productivity and volume of production of crops and animal husbandry to rise rapidly and stably.

A central task of meteorology and hydrology is to investigate, observe, measure, follow and assess the environment in our country, and to keep abreast of research work into forecasting trends of climatic changes in the world, so as to help determine a strategy for economic and social development, especially on the agricultural front. To protect the environment and national resources, we should pay attention, in short- and long-range plans, to afforestation and headwater forest protection with a view to conserving soil, controlling erosion and limiting the possibility of large-scale water retaining works, such as the Hoa Binh and Tri An hydroelectric stations, being clogged up by alluvium; we should also keep track of the process of alluvium depositing and eroding in the lower reaches of the Red River, the Bac Bo Gulf coastal areas and the lower reaches of the Dong Nai River. Furthermore, we should speed up afforestation in the delta and along the coasts to erect shields against wind and sand, curb the noxious eroding effects of winds, and control heat and typhoons; and actively develop planting of fruit trees in rural areas, and create green belts around industrial zones and cities, so as to achieve an ecologic balance and a pure and clean air environment, and multiply wholesome water resources. This work is of economic and social significance, and is closely linked to meteorology and hydrology. In all areas, environmental protection and transformation should be planned, with focus on appropriate scales and on cooperation and interrelationship between the central echelon, localities and basic installations.

In light of the Fifth Party Congress, the meteorologic-hydrologic sector should raise the quality of its work, making good forecasts on meteorologic-hydrologic conditions, on natural calamities and on weather conditions for agriculture, and directing its activities at preventing and controlling natural disasters, and at rationally exploiting and utilizing climatic and water resources, in support for economic and social development, especially agriculture--the leading front. To carry out these important functions and tasks properly, the sector should improve the quality of its basic investigation aimed at setting up a uniform network of meteorologic, hydrologic and oceanologic stations from the central echelon down to the grassroots level; control the environment; ensure unhampered communications to serve domestic needs and international exchanges; and apply scientific achievements and technological advances to meteorology and hydrology. Caring for the material and spiritual livelihood of cadres and workers stationed in meteorologic and hydrologic observatories and stations, especially on islands and along distant borders, is among the major tasks requiring the attention of party committee echelons and administration officials.

Guided by the spirit of collective ownership and the revolutionary will of self-reliance and self-advancement, the meteorologic-hydrologic sector should, at all costs, achieve new progress, going out of its way to serve properly production and the people's livelihood.



### Building Observation Stations

Hanoi NHAN DAN in Vietnamese 23 Mar 85 p 1

[Article: "Building 458 Meteorologic-Hydrologic Observation and Measurement Stations"]

[Text] So far, the meteorologic-hydrologic sector has built an observation and measurement network of 458 stations nationwide, including 155 meteorologic, climatic and agricultural meteorologic stations, 14 radiation-measuring stations and 250 hydrologic stations.

Data compiled by these observing and measuring stations have efficiently served various sectors of the national economy, livelihood, national defense and social activities. These data, collected daily and hourly by measuring stations, have made it possible to keep track of fluctuations, forecast long- and short-range meteorologic and weather conditions, and supply necessary information to production sectors and organs in time to help them guide the prevention and control of typhoons, floods and waterlogging with efficiency, and limit the extent of damages caused by natural calamities.

Data provided by the meteorologic-hydrologic sector are of great value to agencies in charge of surveying and making plans for communications, water conservancy and hydroelectric projects. The sector also supplies specific forecasts to worksites engaged in building major projects, such as the Hoa Binh and Tri An hydroelectric stations, and the Thang Long and Chuong Duong bridges, enabling them to avoid flooding, and ensure safety for personnel and property.

9213

CSO: 4209/347

AGRICULTURE

NEW POLICY IN MEAT PURCHASING REPORTED

Hanoi NHAN DAN in Vietnamese 4 Apr 85 p 2

[Article: "New Policy Pertaining to the Purchasing of Pork and Buffalo and Beef; Purchasing on Stabilized Prices Through Two-Way Economic Contracts and Purchasing on Negotiated Prices"]

[Text] To encourage the development of animal husbandry and to carry out at the same time the government's policy of monopolizing the trade of meat, on 8 January 1985, the Council of Ministers has issued Decision No 04-HDBT pertaining to a new policy in purchasing meat. The decision rescinded former decisions relating to the state's responsibility to sell pork at duty prices, including the collective economic and the family economic areas in the whole nation. As of 1 January 1985, purchasing of meat will be done through one of these two methods: at stabilized prices through two-way economic contracts and at negotiated prices.

The state will entrust state-managed trade and supply and marketing cooperatives to purchase all pork, buffalo and beef produced by state-operated organizations, collectives and families after setting aside enough for local consumption, and will prohibit private merchants to trade these commodities. Wherever state-operated trade organizations and local supply and marketing cooperatives are unable to handle the meat trade, the people's committee of the province or district (and similar levels) may issue a temporary permit to a private merchant to this effect. Breeders of hogs, buffaloes and cows for meat, after setting aside enough meat for personal use, may sell the extra meat at local markets. They do not need a license to sell, nor must they pay industrial and commerce tax, but they do have to comply with state regulations pertaining to epidemic control and have to pay a butchering tax.

With regard to hogs and cattle raised for meat by collective breeding organizations, the state will buy the meat produced through two-way contracts on the basis of the provisions of breeders, veterinary services, feed, fertilizers, gasoline and oil, and construction materials. Selling and buying of this meat will be done at state-regulated prices. Meat exceeding the quantity provided for in two-way contracts will be purchased at negotiated prices.



Meat produced by family breeding will be purchased at negotiated prices. If the breeder so desires and if the state is able to provide material supplies or commodities, meat will be purchased on the basis of two-way contracts.

State-operated economic organizations charged with animal husbandry planning and breeding will turn over their products in quantities stipulated in plans at approved trading prices. Products in excess of assigned quotas or obtained outside of plans will be purchased by socialist commerce organizations at negotiated prices.

The Council of Ministers, by regulated stipulations and in the framework of developing the annual animal husbandry plan, entrusts provinces, cities and special zones with specific targets with regard to meat purchasing and distribution, and to the provision of material supplies and commodities if applicable. Provinces, cities and special zones will, in turn, give similar targets to districts and towns, and the same thing applies from the latter to villages, wards, cooperatives and production collectives. Purchasing prices will be based on two-way contracts decided by the Council of Ministers on recommendation from the State Commodity Price Commission. Negotiated prices will be determined by the people's commodities of provinces, cities and special zones within prices framed for each area and each time period, on suggestion by the Ministry of Internal Trade, the Ministry of External Trade (for exported meats), and the State Commodity Price Commission.

9458

CSO: 4209/364

AGRICULTURE

BRIEFS

MARINE PRODUCTS INVESTMENT--The annual output of marine products of Tien Giang is approximately 30,000 tons including 8,300 tons of shrimp and bred fish. The province also processes 10 million liters of fish sauce and hundreds of tons of shrimp for export. This year, after careful survey of the coastal area and planning, the marine products sector has been developed further with the investment of material supplies and capital, the establishment of exploitation and breeding areas, and the creation of high-yield processing centers, such as the Con Cong (Go Cong Dong District) marine products breeding center, and the Con Co Lich (Cai Be District) shrimp and fish breeding center which was integrated with coconut tree planting. In its production planning, the province resolved the difficulties of the marine products sector in a timely manner, and focused on long-term investments in areas offering favorable conditions for breeding and exploitation of marine products with high productivity and output. The province set aside 100 million dong for the construction of technical installations and for additional equipment used in breeding, exploitation and processing of marine products. It also created production centers which integrated the exploitation of marine products with cultivation and animal husbandry in coastal areas. In the reform of fishing, Tien Giang focused on the strengthening and development of collective production organizations in the form of united production teams, on preparing fishermen to join production collectives, and to build fishing cooperatives. Districts strengthened marine products stations or companies, signed two-way contracts with fishermen and initiated the provision of material supplies. By so doing, they created favorable conditions for the purchasing and control of products, for the development of fishing skills on the high sea and by the seashore, and for assisting fishermen in developing production and in increasing their output for domestic use and export. [Text/ Hanoi NHAN DAN in Vietnamese 2 Apr 85 p 1/ 9458

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